

The present year I expect to see the revenue in a healthier condition. The balance of the race is likely to be put in work soon; therefore there is more water likely to be sold.

In the beginning of past year tenders were called for the Ballarat Syphon; but, owing to delays in construction and bursting of new piping on three occasions, it was not completed until January, 1886. This inconvenienced those who were taking water, as the old pipe would not carry enough to supply them with.

I do not expect to see more than one party using water between the dam and Ballarat Creek after this twelvemonth, as the ground has been almost completely worked out for a distance of four miles. The only parties that are likely to be working in that distance are getting their supplies of water from Butterworth's Race at a reduced price per head.

I may say the heaviest part of the twelve months' expenses has been incurred on the old syphon in Ballarat Creek—keeping it in anything like working order. Besides delays in making up breaks, there was a loss of revenue while those were going on.

The outside supply-races have been keeping in very fair order for the past twelve months. Flumes are all holding good. The only drawback is the rotten nature of the ground through which the race is cut. It requires careful watching so as to keep it from carrying away, as it is through limestone country, and very rotten.

I have been supplying Gregory and Horner out of dam with 50in. of water night and day for about fourteen weeks during the past twelve months. This is in accordance with agreement between original holders prior to Government buying Argyle Water-race.

On the main race there have been three breaks during the year of sufficient importance to cause stoppage of water—through landslips. I had them repaired as quickly as possible.

I have put the supply-race on Four-Mile Flat in working order, so as to catch any water which falls in showery weather. There is no permanent supply of water from any of those supply-races; therefore every available tributary is put in use to keep up the supply in the reservoir. On the whole, I may say that all the races are in very fair working condition at the present time.

The following is a statement of particulars respecting the water-race for the year ending the 31st March, 1886: Amount of revenue—By sales of water £435 7s., by sale of old water-pipes £35 8s. 9d.; expenditure on maintenance and contingencies, £392 12s. 8d.; number of men employed daily, 21; average number of days per man worked for year, 84.47; approximate amount of gold obtained, 464oz.; average earnings per man per week, £2 15s.; estimated revenue from sales of water from the 1st April, 1886, to the 31st March, 1887, £650; estimated expenditure for maintenance and contingencies for same period, £350.

I have, &c.,

DENIS DOYLE,

The Under-Secretary of Mines, Wellington.

Manager, Argyle Water-race.

No. 23.

The CHAIRMAN, MOUNT IDA TRUST, to the Hon. the MINISTER of MINES.

SIR,—

Office of Mount Ida Water-race Trust, Naseby, 11th May, 1886.

I have the honour to forward the annual report of the proceedings of the Mount Ida Water-race Trust, in accordance with section 25 of "The Mount Ida Water-race Trust Act, 1878," together with a statement of receipts and expenditure for the year ending 31st December, 1885.

The returns from water sold and channel-fees amount for the period stated to £893 6s. 5d., or £328 8s. 5d. less than what was received the preceding year. This falling-off in the sales of water is attributable to the extraordinary drought which prevailed during the closing quarter of the year, when the hitherto-considered-permanent sources of water-supply were dried up. The Trust feels that the receipts are disappointing, as it was anticipated that the completion of the extension works to Spec Gully would have, before the close of the year, brought in a large sum from sales of water in that locality. Had the season been of an ordinary character the Trust feels confident that the results anticipated would have been realized. The expenditure for the same period for maintenance, repairing damage by floods and slips, has been £1,338 2s. 5d., which is £261 2s. 2d. less than was expended last year.

The extension of the race to Spec Gully was completed at the commencement of last winter, and, with the ensuing frosts, the early spring floods (which did considerable damage to the new work), followed by exceptionally dry weather, the Trust was exceedingly unfortunate in being unable to utilize the works to advantage. Only since about six weeks ago, when the weather broke, have the extension works been a source of revenue, the demand for water being greater than the race can supply. From the area of ground being opened up in the locality commanded by the extension, the Trust is of opinion that the demand for water will continue, and that the revenue will show a large increase at the end of the current year. Several claims are commencing operations in the main gully on the elevating principle, which will, in addition to the water used in the extension, require a considerable quantity of water. At the present time all the water brought into Naseby is being sold, the receipts of the past two months averaging £180 per month.