

£1,398 18s. 10d. of the previous year, thus showing a decrease in expenditure of £516 6s. 10d. Taking the expenditure on maintenance from the value of the sales of water, the net profits on the working of this water-race is £6,183 18s. 3d. for the last year.

The value of free water given to miners to open claims during last year was £347 6s. 5d., as against £1,547 18s. 11d. during the year previous; and the average number of miners employed in claims worked with water from this water-race during last year was 185, as against 215 during the year previous; and the approximate amount of gold obtained by these miners last year was 10,550oz., representing a value of £40,090, which makes their average weekly earnings, after deducting the value of the sales of water, £3 8s. 5d. per man, which is 12s. 8d. per man less than the previous year. Taking the net profit on the working of this water-race during last year—namely, £6,183 18s. 3d., and the cost of construction, which is £37,400 2s. 11d., it shows that it has paid a little over 16½ per cent. on the outlay.

KUMARA SLUDGE-CHANNEL, WESTLAND.

The expenditure on the maintenance of this sludge-channel, which was formerly £3 for every £1 that was received for channel-fees and gold, is now reduced to £2 6s. 2d. for every £1 received for fees and gold-dust got from the channel. This saving is due to the smaller number of miners now using the channel since the No. 2 Sludge-channel was constructed. The dump for tailings is, however, getting less every year, and it now depends in a great measure on the floods in the Teremakau River to clear away from time to time the tailings that accumulate.

Arrangements have recently been made with Seater, Blake, and party, who hold the right to a tailings-site granted to Sellars and party, which prevented the branch of the sludge-channel being carried down the flat, whereby the whole of this tailings-site can be covered with tailings, and the channel extended down the side of the river. This will hold tailings from the workings for a considerable time, and allow the extension of the channel to be carried as far down the river as the fall will permit. It is probable that this extra accommodation for tailings will be sufficient to work out the claims now using the channel; but it would not be advisable to allow any further claims to be worked by this channel until those now using it are nearly worked out, as the time is not far distant when the bed of the Teremakau River will be raised to such an extent that this channel cannot be used to convey away the tailings unless it is altered to a less grade, and that would mean that it would carry less material away and require a great deal of flushing-water.

The following table will show the results of working the sludge-channel for the last year:—

Month.	Channel-fees.	Value of Gold-dust obtained from the Channel.	Amount of Cash received for Channel-fees.	Expenditure.	Amount of outstanding Moneys at End of each Month.	Number of Men using the Channel.
1887.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
April	93 12 3	87 15 0	118 3 3	273 14 8	1 15 10	85
May	104 8 11	62 8 6	113 1 6	458 11 11	8 19 5	85
June		8 7 6	18 9 4	186 0 9	5 8 2	..
July	88 11 8	62 7 0	67 8 4	343 14 11	0 6 11	85
August	90 5 10	80 19 0	106 5 6	441 1 10	3 17 1	84
September ..	94 4 0	69 2 0	60 5 1	333 13 3	7 11 0	84
October	109 16 4	43 10 0	153 13 4	459 6 10	2 3 4	84
November ..	108 13 5	69 10 0	76 16 6	463 16 2	1 10 7	84
December ..	84 2 6	58 9 6	124 10 5	313 18 9	0 11 6	84
1888.						
January	71 1 3	57 16 0	38 0 9	299 11 0	2 4 10	74
February	103 19 7	60 16 0	131 1 10	297 1 5	..	84
March	126 10 10	63 13 0	146 19 3	340 0 10	1 12 9	89
Totals	1,075 6 7	724 13 6	1,159 15 1	4,260 12 4	..	922*

* Average 77.

It will be seen from this table that the value of channel-fees during last year was £1,075 6s. 7d., and the value of gold-dust got in the channel £724 13s. 6d., making the total income for the year £1,800 0s. 1d.; as against £1,304 3s. 8d. for fees and £957 19s. for gold-dust for the previous year, which made the total income £2,262 2s. 8d. This is a decrease of £462 2s. 7d. on the income; but there is more than a corresponding decrease in the cost of maintenance. The expenditure in maintenance last year was £4,260 12s. 4d., as against £5,957 11s. 5d. for the year previous; thus showing a saving of £1,696 19s. 1d.: but this saving still shows a loss on the working of the channel of £2,460 12s. 3d.

The average number of miners now working ground by means of this channel is 77, as against 114 during the previous year; and the value of the free use of channel given the miners during the year has been £6 10s. The total cost of the construction of this work to date has been £17,200 12s. 6d.

WAIMEA-KUMARA WATER-RACE AND SLUDGE-CHANNEL, WESTLAND.

Although the working of each portion of this water-supply has been shown separately, it must be treated as one work, as it is all under the same management and the supply of water is partially from the same source. The following table will therefore show the results of the working during the last year:—