

Month.	Sales of Water, Channel-fees, and Value of Gold-dust obtained from Channel.	Amount of Cash received for Sales of Water and Channel-fees.	Expenditure.	Amount of Outstanding Moneys at the End of each Month.	Number of Men employed.	Approximate Amount of Gold obtained.	Value of Gold.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
1887.							
April	847 18 11	1,163 1 2	474 2 1	187 3 3	294	1,208	4,590 8 0
May	988 0 11	927 16 6	652 6 7	202 19 8	279	1,153	4,381 8 0
June	268 0 5	820 19 1	363 2 7	188 3 2	279	415	1,577 0 0
July	969 19 6	811 19 9	516 11 5	227 0 10	281	1,288	4,894 8 0
August	992 0 1	988 11 8	627 16 10	203 15 6	283	1,320	5,016 0 0
September..	1,009 17 8	800 9 11	512 15 0	235 18 2	286	1,255	4,769 0 0
October	898 3 0	934 18 0	600 17 11	239 8 5	287	1,154	4,385 4 0
November ..	1,065 10 0	869 2 7	617 14 5	242 8 6	285	1,182	4,491 12 0
December ..	780 6 0	1,148 8 9	496 8 7	116 18 2	286	1,428	5,426 8 0
1888.							
January	713 17 8	267 4 8	477 12 0	202 17 6	268	859	3,264 4 0
February ..	966 7 8	1,053 18 10	443 8 10	194 18 5	274	1,023	3,887 8 0
March	1,081 19 8	1,110 8 8	488 6 0	146 11 2	271	1,225	4,655 0 0
Totals	10,582 1 7	10,396 19 7	6,271 2 3	..	3,373*	13,510	51,338 0 0

* Average 81.

This shows the value of sales of water, channel-fees, and gold-dust obtained from the channel to be £10,582 1s. 7d., as against £9,450 17s. 4d. for the year previous: being an increase of £1,131 4s. 3d. for the last year. The total expenditure in maintenance last year was £6,271 2s. 3d., as against £8,473 0s. 3d. for the previous year. The net profits on the workings for the last year are £4,310 19s. 4d., or four times as much as they were the year previous.

It is gratifying to find that the arrears due for water and channel-fees are being gradually reduced. Some two years ago they amounted to £2,623 5s. 7d., and on the 31st of March last they only amount to £146 1s. 2d. This, in itself, speaks highly for the remunerative nature of the auriferous ground that this water-supply has been the means of working. The average number of men employed in mining-claims worked with water from this supply is 281 (exclusive of men getting blocks and mining-timber, &c.), and the average earnings of the miners after deducting sales of water have been £2 16s. 9d. a man per week. Taking the total cost of construction, which has been £173,363 7s. 1d., and the net profit on the working during last year, it has paid nearly 2½ per cent. on the outlay.

NELSON CREEK WATER-RACE, NELSON.

The construction of this water-race was commenced in May, 1874, and completed in January, 1878, having been in full working-order for ten years. During this period the sales of water have amounted to £15,836 15s. 7d., and the cost of maintenance to £11,881 1s. 4d.: thus leaving a balance of profit on the working of the water-race for ten years amounting to £3,955 14s. 3d. The amount of gold obtained by parties working with water from the race is estimated to be 30,143oz., representing a value of £115,396 19s. 6d.

The water-race has now arrived at a stage when the future sales of water will not cover the cost of maintenance, owing to the bridges and flumes being in such a decayed state—constantly requiring repairs. Most of the bridges and flumes are across wide, deep gorges, and cost a large amount of money to construct, several of the spans of bridging being 150ft. in length. The aggregate length of bridging and flumes on the main race is 1 mile 16 chains, which cost to construct about £26,000. The timber in portions of the bridges and flumes is entirely decayed, and a continual renewal has to be going on, which necessitates a certain number of maintenance-men being constantly employed. Unless these large bridges are carefully watched, and repaired when any of the timber breaks, the whole structure would soon fall down, as has been the case with one of the large bridges on the branch race. However, there is not much water required to be supplied from the branch, as the ground known to be auriferous is getting nearly worked out, so that a small tunnel can be made to convey all the water required for about £110. The miners have agreed to construct this tunnel on receiving free water to the value of their labour. The ditching and tunnels are all in a good state of repair. The re-timbering of the tunnels is proceeded with as the old timber gets decayed.

With regard to the future prospects of this water-race there is yet a considerable amount of auriferous ground that will pay for working at the lower end of Try Again Terrace. Some years ago this ground was considered too poor to work, but it has been taken up recently and found to give remunerative returns. There is, however, a great drawback to the working of the ground in this locality, owing to the freehold land held by Drennan Brothers at the bottom of the terrace, which prevents certain portions of the terrace being worked. There is also a considerable amount of ground in the vicinity of Surprise Creek considered payable for working, and also in German and Brian Boru Gullies. With the exception of these places the known payable auriferous ground which the water-race commands may be said to be worked out. I have carefully examined the condition of the water-race, and think that, with careful supervision, the bridges and flumes can be made to last for another three or four years—that is, by replacing the worst decayed portions of the timber, which can be done with the ordinary number of maintenance-men employed for the last two years; but no hope can be held out that the future cost of maintenance will be covered by the sales of water. Probably the loss on working may amount to from £200 to £300 per annum.