

The value of free water given to the miners from this race last year amounted to £96 10s. 4d., as against £183 10s. for the former year; and the average number of men employed in claims worked with water from this supply has been ninety-one. The approximate quantity of gold obtained from these claims is about 2,603oz., representing a value of £9,891 8s. This will make the average earnings of those employed, after deducting the value of the sales of water, to be £95 1s. 3d. a man per annum, or about £1 16s. 7d. per week, which is 9s. 6d. a week less than the average wages for the former year. The cost of constructing this work has been £118,762 11s. 8d., and, taking the profit on the working last year, it pays about $\frac{4}{10}$ per cent. on the capital invested.

KUMARA WATER-RACE.

This is the only one of the Government water-races that is worked that gives a fair profit for the outlay on its construction; but the sludge-channel in connection with it has been so costly to maintain that the profits have been curtailed to a large extent. The whole of the water-race is in good repair; the fluming, as it gets decayed, is being replaced with iron and steel piping, which is not only less costly to maintain, but by removing the fluming where it was originally constructed, and laying the piping on the worked-out ground, it allows a much larger area of the field to be worked. The manager estimates that the ground which the new deviations of the race has liberated will take from ten to twelve years to work out.

One of the large deviations is being constructed by Palmer, Pascoe, and party, who have taken a tunnel through the terrace from the Larrikins' side of the hill to the Dillman's side, where there is about 5 chains of ditching; the water is then taken in three lengths of steel pipes 30in. in diameter. This will do away with 20 chains of the original water-race, which was constructed on ground that was driven out in the early days of the field, and has been a continual source of trouble by the ground caving in from the surface. A subsidy of £900 in water is to be given these parties towards the cost of constructing the deviation—which will be equal to about one-third of the cost—on condition that the pipes are the property of the Government. The original race was constructed over the ground which these parties have taken up, and it was only by constructing this deviation that they could work the ground.

Another line of pipes 30in. in diameter is being laid down for about 15½ chains in length, to do away with a flume which would have to be removed on the lower water-race coming through Dillmanstown, and from the end of the pipe-line the water is conveyed in a ditch which has recently been widened to a carrying-capacity of thirty heads of water, so as to supply water to work the claims on the lower end of the field.

A new water-race has been constructed along the side of the Kapitea Hill, above Larrikins', to supply water to work the claims at the upper end of the flat. This race is capable of carrying about forty sluice-heads of water. The cost of this work, when fully completed, will be about £500. A by-wash is constructed from this race into Dawson Creek, which flows through the Long Tunnel Company's claim; but the manager obtained a permit from the chairman of directors of the Long Tunnel to use the creek as a by-wash. A by-wash has also been constructed near the tank in Dunedin Flat, which is capable of carrying twenty sluice-heads of water, and the one from the siphon of the high-level race has been repaired so as to carry thirty heads, and the by-wash at Blake's old saw-mill is being repaired to carry forty heads. The whole of the water that is used in the sludge-channel and water-race can now be turned off at a few minutes' notice if required.

The following table will show the value of the sales of water, the cash received, the expenditure on maintenance, the outstanding moneys at the end of each month, the number of men employed, and the approximate quantity of gold obtained from claims worked with water from the race, and the value of same for the year ending the 31st March last:—

Month.	Value of Water given towards the Construction of New Deviation of Channel.	Sales of Water.	Cash received for Sales of Water.	Outstanding Moneys at End of each Month.	Expenditure.	Number of Men employed.	Approximate Amount of Gold obtained.	Value of Gold.
1889.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
April ..		401 13 4	621 19 6	37 1 11	82 5 11	180	766	2,910 16 0
May ..		495 16 4	310 18 9	63 13 8	87 12 10	182	746	2,834 16 0
June ..		256 16 8	301 0 6	60 13 6	131 3 10	182	383	1,455 8 0
July ..		377 16 3	354 4 9	42 17 9	94 9 6	182	550	2,090 0 0
August ..		353 4 2	524 1 7	63 17 9	93 10 6	189	864	3,283 4 0
September ..		237 7 11	230 7 6	54 18 7	93 2 11	176	804	3,055 4 0
October ..		318 10 10	261 7 6	76 3 7	72 0 6	179	879	3,340 4 0
November ..		293 8 4	306 19 0	73 18 3	130 12 6	178	883	3,355 8 0
December ..		159 18 9	247 0 0	55 6 7	130 12 8	178	383	1,455 8 0
1890.								
January ..		219 15 10	147 12 6	80 8 9	246 12 2	156	292	1,109 12 0
February ..		248 19 7	277 10 0	72 6 8	108 5 2	162	742	2,819 12 0
March ..		186 16 8	122 2 6	81 10 4	154 4 9	156	251	953 16 0
Totals ..	1,492 2 10	3,550 4 8	3,705 4 1	..	1,424 13 3	175*	7,543	28,663 8 0

* Average.

It will be seen from the foregoing statement that the value of the sales of water amounts to £3,550 4s. 8d., and the value of water given towards the construction of the channel-deviation £1,492 2s. 10d., making a total of £5,042 7s. 6d., as against £6,716 6s. 10d. for the year previous; but it has to be borne in mind that the breakage in the sludge-channel last year diminished the