

on mining operations advantageously unless roads are constructed, thus affording an easy means of access to get mining requisites and machinery brought on the ground. Although a large amount has already been expended in this direction, more money will yet be required as fresh mines get opened up, the roads having to be extended; and, even in those parts of the country where there are no mines at the present time, tracks require to be made before miners can successfully prospect the ground. The expenditure on roads and tracks last year was £18,358, of which amount £17,325 was given in direct grants, and £1,033 as subsidies to local bodies. The total liabilities on works of this character at the end of March last was £14,881. During the past ten years, during which votes for this purpose have been under the control of the Minister of Mines, the expenditure on this class of works has been £260,214, of which amount £124,646 has been paid as direct grants, and £72,620 as subsidies to local bodies; showing that while the expenditure by Government and its liabilities amount to £214,183, the local bodies contributed £48,067.

WATER-RACES.

As the greatest portion of the gold is obtained from the alluvial drifts, one of the most important elements in working this description of ground is water. Without this, hydraulic sluicing cannot be advantageously carried on, neither can much of the ground be made to pay for working. A large extent of auriferous drifts, both on the West Coast and in Otago, would be lying idle, and places which now contain a prosperous population would probably never have sprung into existence but for the assistance to the mining industry afforded by the Government water-races. According to returns furnished by the Wardens, the value of the water-races on the gold-fields, exclusive of those managed and controlled by the Mines Department, is £859,053; while the value of tail-races and reservoirs are given at £309,052, making a total of £1,168,105. The water-races controlled by the department are the Waimea-Kumara and the Mount Ida Water-races. The latter work was managed by a trust up to the 31st December last, when the trust was abolished, and the Government assumed direct charge. Previous to this date, although the race was managed by a trust, the Government had to find money for any deficiency existing between the revenue and expenditure, and the latter was generally more than the former.

During the fifteen years the works were managed by a trust the value of the sales of water amounted to £20,182, while the expenditure on maintenance was £23,777. The amount of outstanding arrears for water at the end of December last was £1,702; while the liabilities of the trust paid by Government after taking the race over was £504, thus showing that the total receipts up to the end of last year was £5,801 less than the expenditure. The water-race, which is over seventy-five miles in length, was in a very bad state of repair, requiring considerable expenditure upon it before sufficient water could be supplied to the miners even in moderately wet weather, when there was plenty of water in the creeks. These repairs are now being made, with the view of insuring a more permanent supply, and it is expected when they are completed that this water-race can be made self-supporting.

The demand for water from the Waimea Water-race is gradually getting less; the lower portion of the creek-bed being now filled up with tailings to such an extent as to greatly interfere with the fall of the tail-races. The ground is also getting further back from the creek-bed every year, and it contains less gold. A branch race was partially constructed last year from the main supply-race, which, when completed, will command a considerable area of new ground, and thereby afford profitable employment to the miners in this locality, and increase the revenue from sales of water. The expenditure on this work last year was £2,271, the value of the sales of water being £1,016, and the expenditure in maintenance £858, which leaves a profit on the working of £158.

The value of the sales of water from the Kumara Race last year was £5,789, and the expenditure £1,783, which leaves a net profit on the working of £4,006; but portions of this profit had to be expended last year in constructing the branch race already referred to from the Waimea supply, and also in extending the Kumara Water-race along Kapitea Hill.

The Nelson Creek Water-race was leased for two years. The lease expires in August next, and tenders are to be invited for leasing this water-race for a further period of three years.

Taking the whole of the water-races constructed by the Government, and controlled by it, it will be found that although the capital invested is considerable, these works have been the means of finding profitable employment for a large population, and, with the exception of