It will be seen from the foregoing statement that the value of the sales of water for the year amounted to £694 16s. 1d., as against £787 18s. 7d. for the previous year, while the cost of maintenance amounted to £841 18s. 2d., as against £677 1s. 6d. for the former year; thus showing an increase in the cost of maintenance of £164 16s. 8d., and a decrease in the value of the sales of water of £93 2s. 6d., from the previous year.

The average number of men employed in claims worked with water from this supply last year was 42.75, and the approximate quantity of gold obtained by them was 2,122 oz., representing a value of £8,275 16s. Deducting the value of the sales of water from the value of the gold obtained, it leaves the average earnings of the men to be £176 7s. 6d. per man per annum, or

£3 8s. per week.

CALLAGHAN'S BRANCH WATER-RACE.

The siphon and water-race conveying the water to Callaghan's and Italian's are in good order, and capable of supplying water for the use of a larger number of miners than are at present availing themselves of it. When the advantages to be derived from the use of the water from this race become more fully appreciated a considerable extent of auriferous country can, and no doubt will, be worked in the near future.

The following statement shows the receipts and cost of maintenance of this race, and also the

quantity and value of gold obtained by those using the water :-

Month.	Sales of Water.			Cash received for Sales of Water.			Expenditure.			Outstanding Moneys at the End of each Month.	Number of Men em- ployed.	Approxi- mate Quantity of Gold obtained.	ODL	of aine	Gold d.	
1898. April				đ.	£	s.	đ.	£ 11	s. 15	đ. 0			Oz.	£	s.	d.
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T		26	10	0	42	0	0	12	0	0		10	75	292	10	0
Tile lesser o men	••	15	10	0				14	0	0		10	40	156	0	0
7/5			• •			••		10	12	6		••	••		• •	
Totals		191	12	6	191	12	6	163	12	6		10 (average)	491	1,914	18	0

It will be seen from the foregoing statement that the value of the sales of water for the year amounted to £191 12s. 6d., and that the cost of maintenance was £163 12s. 6d. The average number of men employed was ten, and the gold obtained by them 491 oz., of the value of £1,914 18s. Deducting the value of the sales of water from the value of the gold will show the average earnings to have been £172 per man for the year, or £3 6s. per week.

KUMARA WATER-RACE.

The Kumara district is largely dependent on the water supplied from this race, the whole of the field being supplied, with the exception of the Long Tunnel Company, and McGrath's and Moynihan's claims, which obtain their water from other sources. Provision has been made to further add to the Loop-line Dam supply by constructing a race that will convey the water from a branch creek and form a large catchwater area into the main dam. The Loop-line Dam, which is now capable of storing a largely increased quantity since the raising of the by-wash, has materially augmented the supply necessary for sluicing purposes on the Kumara field, and tended to meet the requirements of the miners during the drier months of the year.

Repairs have been effected in the tunnel through which the water is conveyed from the Little

Dam to the field, and this part of the race is now capable of carrying an increased quantity.

The Little Dam, which has been made to store a quantity of water equal to three or four days consumption, cannot be said to be of such stability as was the case when the timber of which it is built was new and fresh. At the present time decay has set in, and several of the heavy timbers and struts are partially rotten. It will shortly be found necessary to strengthen this dam, and it is suggested that the structure be backed up by rough stonework, for which the larger boulders can be obtained from the claims at Larrikin's. If this were done the faced sheathing or planking, which, on the whole, is in fairly good condition, would suffice for several years to come, and with such permanent support, could readily be removed when required.

The Loop-line Dam, which is now made capable of holding from 18 in. to 2 ft. of water through the raising of the by-wash, might possibly be endangered should a heavy rainfall or a sudden melting of snow occur at a time when the water is at its highest level. To provide against any melting of snow occur at a time when the water is at its highest level. To provide against any danger to the structure through the present by-wash failing to carry off a sudden increase of water, it is contemplated to construct a second by-wash at a place where the dam-bank is of small dimensions and the ground solid. This could be made of such width as to enable a vast quantity of water to flow away if the depth of water on the by-wash should only be 2 in. With these improvements, and the Wainihinihi branch complete, the race and dams will be capable of carrying and storing a much greater quantity of water than hitherto, and at a slight increase in the cost of maintenance.

Year by year it is found that the yield of gold from every yard of gravel that is being sluiced away is becoming less, and consequently the miners are less able to pay a high price for the water.