

At Orepuki the closing down of the shale-works has caused a slump in business generally. A number of the late employees have done some prospecting for gold and taken up claims, some of whom it is reported are doing fairly well.

I regret to have to note that the Belmont dredge, owned by Mr. Francis Jack, has come to grief within a few chains of the scene intended for operations. When being removed to the lagoon at the mouth of the Waiau River, during the temporary absence of the dredgemaster, the dredge became partially lodged on a sandspit, with the result that when the water receded her back was broken. Attempts have been made to float her, but without success. She is now being unlimbered, with a view to the machinery being removed. Mr. Jack deserves credit for the perseverance and enterprise that he has displayed, and sympathy is felt for the loss he has sustained.

At West Waiau a number of miners are still at work, and, I believe, doing fairly well.

Although there is nothing very startling to report from Round Hill, still the respective companies have not had much cause to complain. Water has been plentiful all through the summer months.

I have, &c.,

S. E. MCCARTHY, Warden.

The Under-Secretary, Mines Department, Wellington.

WATER-RACES.

Mr. ALEX. AITKEN, Manager, Kumara District Water-races, to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Kumara, 15th May, 1903.

I have the honour to forward the following report on the working of the Waimea-Kumara water-races for the financial year ended the 31st March, 1903.

WAIMEA RACE.

The total sales of water from this race for the year ended the 31st March, 1903, amounted to £814 17s. 2d., and the expenditure for gauging, maintenance, and repairs for the same period was £787 16s. 7d., showing a credit balance of £27 0s. 7d. on the transactions for the year.

The average number of miners supplied with water from the race for sluicing purposes was 28·91, and the approximate quantity of gold obtained by them was 2,436 oz., having a value of £9,500 8s.

The sales of water are £85 10s. 11d. greater than during the preceding year, and the quantity of gold obtained was greater by 286 oz., having a value of £1,115 8s.

The number of miners employed in sluicing with water from the race was about the same as during the previous year.

The expenditure for gauging, maintenance, and repairs during the year was less by £51 2s. 10d. than during the preceding year, and the headworks at Kawhaka, the siphon, and all the races and branch races have been kept and are now in a thorough state of repair.

For many years the result of the working of the Waimea Race has always been a balance on the debit side, but during the past year a considerable improvement has taken place, and there is a credit balance of £27 1s. 5d. on the year's transactions, while during the preceding year there was a debit balance of £109 12s. 4d. The results would have been even better had the claims at the Stafford end of the race been of a more payable character. The most of the water sold there for some years past has been used by parties of Chinamen, and although in former years they were fairly successful and paid with great regularity, such has not been the case during the past year, which has been a bad one for them, and the receipts for water have in consequence been very considerably reduced. None of the claims, however, have been abandoned, and the holders are making fresh efforts to effect a change, in the hope of doing better in the future than in the past.

One of the parties at Tunnel Terrace, on the Goldsborough section of the race, has not been using water for a considerable portion of the year, as the old tail-race used by them had run out of fall, owing to its extreme length. A new, more straight, and consequently shorter, tail-race has been driven, boxed, and blocked, which will serve the party better than the old one for many years to come.

Water has been plentiful during the year, and no stoppages in the supply occurred, so that throughout the year the work of the miners was continuous so far as the supply of water was concerned. The miners using water from the Goldsborough section of the race seem much better satisfied with the results of their washings than in former years, and they have promptly and regularly paid for the water supplied, which is a sure sign of improved earnings.

There are still large areas of unworked ground in the neighbourhood of Tunnel Terrace, which, although not rich, will all be worked in the future, and give fairly profitable employment to a large number of miners who, on account of improved appliances, a cheap and plentiful supply of water, and a better and more efficient use of the water, will be enabled to work ground with profit that in the earlier days of gold-mining on the West Coast was considered absolutely worthless.

A claim 12 acres in extent has been taken up by Perry and party just above Tunnel Terrace. The ground was abandoned many years ago as being non-payable, and contains a large area of unworked ground with faces of auriferous wash of considerable thickness, but no sluicing on a large scale has hitherto been attempted there. The party has constructed a substantial new tail-race, properly boxed, and blocked with a gradient of $5\frac{1}{2}$ in. to the box of 12 ft., and intend to sluice with twenty to twenty-four sluice-heads of water, and have also repaired and enlarged three