

WAIMEA WATER-RACE.

The total sales of water from this race for the year amounted to £776 19s. 5d., and the expenditure during the same period for maintenance was £669 6s. 3d., showing a credit balance of £107 13s. 2d. on the year's transactions. The average number of miners supplied with water from this race during the year was 66·25, and the approximate quantity of gold obtained by them was 2,133 oz., having a value of £8,318 14s. The sales of water are £18 14s. 1d. less than during the preceding year, and the yield of gold is 208 oz. more, having a value of £811 4s. The difference in the sales of water is small, and is accounted for by the general scarcity of water during the year, and more especially during the months of June and December, 1896. The difference in the yield of gold can only be accounted for by the ground washed away turning out better than during the preceding year.

The expenditure on ordinary maintenance is £100 17s. 5d. less than during the preceding year. This is due to the flumes on the Waimea and Stafford sections being in good condition, so that very little had to be expended in effecting repairs on them. There was also very small expenditure on the high fluming at Kawhaka, and the recent changes that have been made there will be the means of reducing the expenditure on maintenance of the Waimea Race very considerably in the future. The only expenditure for maintenance during the year was for repairs to some of the tunnels, the removal of a few slips, and cleaning out and clearing scrub and undergrowth from the race.

Besides the sales of water, free water to the extent of about £100 was given to parties who could not afford to pay on account of poor washings; but this did not affect the sales of water, as the water thus given would otherwise have gone to waste. A considerable amount of waste water was also given to parties endeavouring to open up new ground in the district, but this was only given after all the paying parties had been fully supplied.

Besides the parties supplied from the race, there are a large number of miners in the district who have private races, and who are engaged in working ground when water is available, but, as they are dependent altogether on wet weather, the work done by them is of an intermittent character. In the gullies and on the ranges of the district far above the reach of the water from the Waimea Race a great many parties are at work, some of them doing very well; and work in those localities will continue for many years, as there is a large area of auriferous ground in the places referred to still untouched.

DEVIATION WAIMEA RACE AT KAWHAKA.

This work is now nearly completed, and the water is running in the new race, with the exception of about 11 chains at the upper end. The new race acts well, and, as it is all in earth-work, with the exception of about 17 chains of low fluming, the danger of a breakdown and consequent stoppage of water-supply for the district has been reduced to a minimum. The cost of the deviation has been considerable, but only a fraction of what would have been required to reconstruct the high fluming which was beyond repair. The whole of the timber in the new fluming is silver-pine, and will be good for at least forty years without any expenditure on repairs. As soon as the 11 chains of low fluming at the upper end of the deviation is completed none of the high fluming will be used, as it will not be required.

BRANCH RACE TO CALLAGHAN'S.

This race has been completed, and water has been supplied from it during the months of February and March. The sales of water during the two months amounted to £42 15s., and the expenditure during that period was £25 15s. I anticipate that considerable quantities of water will eventually be sold from this race, but for some months very little will be done. Several parties have taken up ground commanded by the race, but it will take some time to prospect and open it up. There are large areas of likely ground in the locality that have not been systematically prospected, on account of water not being available for working the ground, even should fair sluicing prospects be obtained. Now that water is obtainable, all likely places will be prospected.

BRANCH RACE TOWARDS MIDDLE BRANCH, WAIMEA CREEK.

No work has been done on this race during the year, as no water could be supplied from it until the completion of the Waimea Main Tail-race. Now that the Main Tail-race is nearly completed, about 80 chains of race will have to be constructed to supply water to the claims that will work into it. A survey has been made for a high-level race that will eventually become a portion of the main Waimea Race, and out of which it was proposed to supply the claims running into the Waimea Main Tail-race, but on further consideration this high-level race does not appear to be suitable for that purpose, as each claim working into the Main Tail-race will have to provide a dam for the storage of night water. All the claims now supplied from the Waimea Race have dams for that purpose, and the parties can use the water from the dams at any time it suits them. This plan will have to be adopted in the case of the claims using the Main Tail-race. A survey is being made for a race leading from the highest site available for a storage dam that will hold night water and water that would otherwise go to waste on Sundays and holidays, and at the same time give about 100 ft. head in the claims working into the Waimea Main Tail-race.

WAIMEA MAIN TAIL-RACE.

The Waimea Main Tail-race is driven to its proposed terminating point on the flat in the Middle Branch of the Waimea Creek. Its total length is 2,076 ft. It is 7 ft. in height and 4 ft. 6 in. in width, and has a gradient of 3 in. per box (of 12 ft.) or 1·375 ft. per chain, and is boxed throughout. The trustees are preparing to sink a shaft to connect with the surface, and when this is done the channel will be blocked, all the material for that purpose being on the ground. There