

*Kumara.*—Very many of the first claims opened out in the Kumara, which have been worked steadily ever since the opening of the field, are now worked out by the ordinary method of driving; and, when abandoned by the first owners, as is sometimes the case, they are pegged in by the adjoining claim-holders, and applied for as extended areas for sluicing purposes, the original holdings being considered by old, experienced miners too small to justify the necessary expenditure to open out for sluicing. Therefore, occasionally the sluicers eagerly purchase some of these claims when adjoining their holdings, in order to enlarge their plan of operations, and at the same time enhance the value of their claim. Most of the sluicing claims now opened out have, from time to time, had their boundaries considerably extended since they were first opened. All these extensions, be it remembered, have been made on ground completely worked out on one level, and all these sluicing claims are, with one exception, paying well. This must be considered most promising for the future of Kumara, where there is a belt over three-quarters of a mile in length by an average width (approximately) of 20 chains, of similar ground, some of which is now being applied for in extended areas in view of opening and working same by means of the Government sludge-channel now under contract. I should here mention that by extending the sludge-channel 35 chains beyond the terminal point of present contract, it would pass through and open out what is likely to be the most extensive sluicing-ground in the district. There is much of it shallow (20 to 30 feet), and very highly spoken of by the miners. It could be opened out quickly and at much less outlay than any other part of the lead. I would therefore recommend that the extension mentioned be carried out as early as possible.

*New Leads.*—I have to report the opening of one lead since my last report. It was first opened at the lower end of Minhinuets Flat, near the Scandinavian Lead, extending over three-quarters of a mile north-west, and nearly parallel with the old Shamrock Lead. The ground is good in places, but very narrow throughout. The sinking is about 30 feet, with from 3 to 5 feet of wash-dirt, and it will take about twelve months to work out. Much prospecting has been done in the vicinity of the above-mentioned leads since my last report, which has enabled the miners to speak most confidently of the payable nature of a large extent of ground by sluicing. Some praiseworthy efforts have been made to trace the main lead upward and beyond the Larrikins' Terrace. Several of the shafts got gold, and much driving was done for very little metal. So once more the hope of further tracing the main Kumara lead is abandoned.

*Kapitea Dam.*—The dam constructed by the original proprietors of the race was completely destroyed by the very heavy floods of December last. The restoration was commenced as early as possible; but the continued bad weather at the time caused much delay in getting in the foundation. The dam is now nearly completed, and is 2 feet higher than it was before, which will very much increase its storing capacity, and I think it will be equal to our requirements for the next twelve months.

*Waimea.*—There is nothing new in mining to report. Many of the sluicing claims opened will take years to work them out, and there are some of them yielding handsome returns. There are others yielding only small wages. I think, however, the average earnings of the miners here will compare favourably with any other field of similar extent on the Coast.

The estimated number of men taking water from the race, and the quantity of gold obtained by them, also the approximate estimate of the collateral advantages derived from the use of the Waimea-Kumara Water-race, for the nine months ending 31st March, 1880, may be stated as follows: Daily average sales of water, £17 12s. 6d.; daily average number of men employed, 570; average price per week per head, £2 14s.; approximate quantity of gold obtained, 19,730 oz. The value of water sold during the nine months amounts to £3,736 11s. 9d., and the cost of maintenance during the same period may be stated at £1,892.

I have, &c.,

J. Gow,

Manager.

The Under-Secretary for Gold Fields, Wellington.

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## No. 21.

Mr. P. McCARTHY, Manager of the Argyle Water-race, Charleston, to the UNDER-SECRETARY for GOLD FIELDS.

SIR,—

Charleston, 12th April, 1880.

In reply to your memo. 124, of 27th March ultimo, I have the honor to report upon the maintenance of the Argyle Race from 19th May, 1879, to 31st March, 1880, as follows:—

On 17th May, 1879, I was instructed by Mr. W. H. Clarke, the engineer who had charge of the survey of the race for the Government, to continue the management of the race as I was in the habit of doing for the Argyle Company—viz. (1) to keep it up with the least possible expenditure, employing no extra labour unless absolutely necessary to distribute the water; and (2) to charge the same price for the water as heretofore, and when I got the water-rent to hand it over to the Warden's clerk at Charleston. This I continued to do, and paid the clerk £7, the first money I received for water-rent. When I took him the second instalment he refused to take it; I then paid it in to the Public Account, and continued doing so until the District Engineer (C. Y. O'Connor) came here in August, 1879, and gave me a general idea of the returns and statements necessary to be made each month, and also took the accounts which were then owing for salaries and other expenses for maintenance, and forwarded the money from Hokitika (there were also two items of money paid at Westport). In October Mr. Gordon, the general manager of the Nelson Creek Water-race, came down and gave me further instructions, and also established the system of payment in advance for the water sold from the race. For this purpose a fortnight's free water had to be given, and in one case three weeks' free water; therefore no balance was due for water on the 31st March, 1880. This plan simplifies matters, gives general satisfaction, and saves a deal of unnecessary trouble and bother. I also got an imprest account after Mr. Gordon's visit, which made it very simple in paying for the necessary articles and labour to maintain the race. On 26th September, 1879, the District Engineer instructed me to discontinue charging 80s. per head for water delivered at Argyle Terrace, and to charge 70s. per head,