

The tunnel contract being cancelled with the original contractors caused a delay of nearly four months.

Since finishing the dam I have been principally repairing flumes and races. Every time the water gave out in the reservoir, which was very often, through the long-continued dry weather, up to the end of January, when I received instructions to call for tenders for repairing supply races, which I did by advertising in the local papers; but receiving but one tender, and that being very high, I did not accept it; it was 30s. per hundred superficial feet, delivered on works. Since the 1st of February I have been principally out on supply-races, getting the work put in order. There were tenders called for enlarging the old race and building flumes, and three sections of supply-race south were accepted, and the work is being carried out, which they will have finished in about three weeks from date. The sawing and delivery of timber was let for 20s. per hundred superficial feet, which justified me in not accepting the first tender of 30s. The construction I am carrying on with day labour, as all the tenders were too high.

The contractors for section No. 1 Argyle Water-race alterations are progressing well, so far; they have but just started at both ends of the tunnel, so that they have got a very fair start, which I hope they will carry out satisfactorily.

The old race is in better repair now than at any time since I took charge eighteen months ago, and I do not expect any breaks of much importance for this coming financial year.

I have a very fair supply of water in reservoir just now, as it rained very heavy on the 16th and 17th of March; therefore I feel confident of being out of water no more this year, as when the supply-races are finished there will be a big supply coming in to reservoir.

The income derived from sales of water this past year is remarkably low owing to the foregoing causes, amounting to the sum of £417 5s. 6d., while the expenditure was about £400. The rest of the heavy expenditure was incurred on dam, and breaks caused by the bursting of the dam. There is other expenditure which I have no account of, which is but small, having been paid through the Treasury.

I have &c.,

DENIS DOYLE,

Manager

The Under-Secretary for Gold Fields, Wellington.

No. 23.

The CHAIRMAN, Mount Ida Water-race Trust, to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Naseby, 7th June, 1882.

You will observe from the statement of receipts and expenditure, which I have the honor now to forward, that the position of the Mount Ida public works during the past year has not improved.

The Trust regrets that the accounts should disclose such an unsatisfactory state of things. A comparison of this year's receipts with last shows a falling off amounting to £227 0s. 3d. on the sales of water, which is far from counterbalanced by the decrease in expenditure of £126 0s. 9d. Still worse, the Trust was last year, out of revenue, able to expend £148 2s. 5d. in extension works, but for the construction of which the falling off would have been more marked, while this year nothing has been so expended. In last year's report the amount owing to the Trust for water and channel fees, is set down at £1,429 7s. 9d., in this at £1,169, showing a decrease of £260 7s. 9d., which unfortunately cannot be credited to the improved circumstances of the purchasers of water, but is due to the Trust having found it necessary to write off £390 17s. 9d. as bad debts. Of the amount now owing, the Trust's manager considers not more than three-fourths can safely be considered good. The manager reports an ever-increasing difficulty in collecting accounts, consequent on the more payable ground being worked, and no new discoveries in the localities at present commanded by the race being made, the miners having to turn their attention to that which is inferior. As has before been pointed out, the Trust's water only commands a portion of the Mount Ida workings—the original scheme, which would have carried the race four miles farther and enabled water to be used over the whole length of the field, not being yet carried out.

The Trust has more than once addressed the Government on the subject of extending the race, and at its last meeting resolved to once more call your attention to its urgent necessity. The estimated cost is about £1,000. Unless the race is extended there is little doubt but the disproportion between receipts and expenditure will steadily increase.

The decrease in receipts is partly owing to the accidental breaking of the valve of the reservoir. This caused the loss of nearly a month's water in the best period of the year, and necessitated a call upon the Government for the £500 voted against emergencies at last session of Parliament. It is the receipt of this amount that enables the Trust to show £360 13s. 6d. in hand at the date of making up accounts. The head-race during the year has worked well, no serious mishaps having occurred, and the supply of water has been good. The expenditure has been decreased from £881 0s. 10d. to £608 16s., or by £272 4s. 10d., and is now at the lowest point consistent with safety—four men looking after and keeping in repair the whole seventy miles of race.

The channel has continued to work well along the greater part of its length (the upper six miles), but the low prevailing grade in its lower portion, which has, since the channel was first used, been a continual source of expense, has this year been more troublesome than ever. The expense of keeping it working shows an increase of £176 6s. 3d., the amount for this year and last year being £407 18s. 6d. and £231 12s. 3d. respectively. The sides, by means of scrub, have been raised over a long distance to a considerable additional height, and it is probable that some reduction in the expense of keeping the channel open may, during the current year, be effected. The loss sustained through water having to be run down the channel for flushing purposes is considerable, but without that the greater number of miners using the channel and purchasing water from the Trust, could not work. Were the race