

will at some time require Government water to wash with, or perhaps to lift the tailings by Perry's hydraulic system, the advantages of which may be better understood by that time, seeing that Mr. Roche, of this town, is going to considerable expense to give it a good trial in No. 3 Creek.

There are several claims now being opened on trial-water at various places along the line of race, which I hope soon to see adding their share to the revenue of the race. Of course there are always claims being worked out, and others proving not payable, which has at times a tendency to very much reduce the estimated average revenue for the year; but, having made a liberal allowance for such contingencies, I feel confident that the estimated returns will be fully maintained.

Many of the flume-bridges have been examined, and new timber is being constantly prepared to replace the decayed pieces. The new timber will be placed in position from time to time on every favourable opportunity. The old and bad timber in the tunnels is being constantly removed, and new timber fixed in its stead. The tunnels and bridges generally appear to the eye to be in a fair state of repair, and likely to be serviceable for some years yet without any very large outlay on repairs.

Herewith please find tables showing the revenue and expenditure on account of the Nelson Creek water-race, maintained by the Government, from the 1st April, 1885, to the 31st March, 1886; also revenue and expenditure for the first and last six months of the year; the number of men employed by the race, their average earnings, and the approximate quantity of gold obtained by them; and estimate of receipts and expenditure for the year ending 31st March, 1887.

The Under-Secretary of Mines, Wellington.

I have, &c.,

J. Gow, Manager.

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### No. 21.

Mr. J. DAND, Manager of the Waimea-Kumara Water-race and Kumara Sludge-channel, to the UNDER-SECRETARY OF MINES.

SIR,—

Kumara, 21st April, 1886.

I have the honour to forward the annual report and tables showing result of working the Waimea-Kumara Water-race and Sludge-channel for the twelve months ending 31st March, 1886.

#### *Waimea Race.*

There has been a slight falling-off in the number of miners using water from this race during the year, the average number supplied being 107; but the sales of water are fully up to that of the year previous. No new ground has been opened up during this year, and, considering the repeated trials made along the line of race in the past, the future prospects of payable ground of any extent being discovered does not seem hopeful; but many of the claims now held will take several years to work out, and, although the earnings of the miner appear to be a little less than they were, I do not anticipate any further reduction in the number of men employed for some time. The race is in fair working order, the tunnel having been thoroughly examined and retimbered where required, and trestle-legs of flumes renewed where found decayed. A number of legs in the Kawhaka flumes were renewed during the Christmas holidays, and a considerable number of the old legs still remaining will require to be replaced from time to time, until all those that show any decay are removed; but, as I have now a good supply on hand for that purpose, this work can be accomplished at such times as will not interfere with the working of the race.

#### *Kumara Race.*

The tunnel part of this race is now being enlarged, and when this work is completed it will greatly increase its carrying capacity. From ninety-six to a hundred heads of water are in daily use, and with increased channel-accommodation a larger quantity will be required. Forty-one sluicing parties are supplied with water, who take from six to ten heads each, in shifts of three hours each per day of twelve hours, being divided into four shifts of three hours each, to admit of all parties being equally supplied. There has been no reduction in the number of parties using water from the race during the year, nor is there likely to be for some time; but a less number of men is now employed than formerly, the average number for the year being 236.

With very few exceptions the whole of the claims are yielding fair returns to the shareholders, who are satisfied with the result of their washing, and speak hopefully of the future prospects.

#### *Sludge-channel.*

The channel is in good repair, and working satisfactorily, and has accommodated thirty parties running tailings into it throughout the year; but, as the construction of No. 2 Channel will be finished within two months, the number of parties now using the present channel will then be reduced by fully one-third. This will allow the parties working under the new regulations in the old channel, that had previously been allowed from four to five shifts each week, to work full time.