

perfectly watertight, and reflect credit on the makers, Messrs. Gibbons, Holmes, and Walker, of Kumara. The work cost £809 14s. 7d., of which the Government contributed half and Linklater and party the other half. Since its completion, some five and a half months ago, Linklater and party have taken water to the value of £101 6s. 10d., or an average of over £18 per month. As this revenue has been derived from the sale of water that would have run to waste had the siphon not been constructed, the result is highly satisfactory.

The tributers of the Waimea Hydraulic Sluicing Company used water regularly in their claim on Scandinavian Hill from April to August, 1908, when, owing to friction arising between the tributers themselves and the tributers and the company, work was suspended until February, 1909, when sluicing operations were resumed. Although the claim was idle for five months of the year, the tributers have paid £14 17s. more for water than the total cost of the extension of the Waimea Race along Tunnel Terrace Hill, and no extra maintenance was incurred.

The party of Chinamen at Red Jack's are still taking water from the race. They had a very successful year, and still have a large area of payable ground to work.

There was an excellent supply of water for the first nine months of the year, but the last three months were the driest experienced here for many years, and the supply in the Waimea siphon during the month of March was considerably reduced.

Authorised free water to the value of £28 0s. 2d. was supplied from this race during the year.

When the present price of water is taken into consideration, the sales of water for the past year are the largest since the Waimea Race was constructed, and represent an increase of over 133 per cent. since the water was reduced in May, 1905, and I feel satisfied that the ensuing year will show a further improvement. This highly satisfactory result has been attained by the construction of branch races at a small cost to facilitate the opening-up of new ground.

The following is a summary showing the revenue and expenditure in regard to this race for the financial year ended 31st March, 1909: Sales of water, £717 13s. 6d.; cash received, £730 17s. 6d.; expenditure, £553 0s. 3d.; approximate value of gold obtained, £5,592 12s.; average number of men employed, 31.25.

#### BRANCH RACE TO CALLAGHAN'S AND MIDDLE BRANCH OF WAIMEA CREEK.

The cash received from this race for the year ended 31st March, 1909, was £398 16s. 10d., and the expenditure on gauging, maintenance, and repairs was £633 11s. 7d., showing a debit balance of £234 14s. 9d. on the transactions for the year.

The average number of miners supplied with water from this race during the year was 9, an increase of 0.84 as compared with the previous year, and the approximate quantity of gold obtained by them was 1,221 oz., having a value of £4,761 18s.

The total sales of water for the year amounted to £422 1s. 3d., a decrease of £49 7s. 5d. on the preceding year, and the cash received for sales of water showed a decrease of £85 7s.

The approximate quantity of gold obtained by the miners was 29 oz. greater than during the previous year, representing an increase in value of £113 2s.

The expenditure on gauging, maintenance, and repairs was £66 19s. 11d. less than during the previous year, and the races, tunnels, and fluming are now in good order.

During the year a subsidy of £135 was granted to S. Perry and M. Hanrahan for extending the Middle Branch Race from its old termination at Middle Branch Flat to their claim near Goldsborough, a distance of 45 chains. The extension was completed, and the party started sluicing operations at the beginning of December, and since that time they have taken 40 pounds' worth of water from the Middle Branch Race, and the results obtained so far have been highly satisfactory.

Three parties sluiced into the Waimea Main Tail-race for eight months of the year; but, owing to the want of fall, Reaby and party abandoned their claim at the end of December. This makes the fourth claim at Middle Branch Flat that has been abandoned owing to the Main Tail-race being too high to bottom the ground. Flushing-water was supplied to the Main Tail-race during the year free of charge. At Callaghan's Flat Harvill and party, owing to the extremely hard nature of the ground and the limited pressure available from the Callaghan's Race, experienced great difficulty in opening out their claim, and only used water intermittently throughout the year. The returns so far have not been encouraging, but when the claim is in proper working-order a decided improvement may be looked for. The dry weather materially interfered with Manzoni and party, as owing to the want of floods their tailings-site in the Little Kapitea Creek became completely blocked up with tailings, and they practically took no water from the Callaghan's Race for the last six months of the year. Haney and party only used water for the first five months of the year, when their fall ran out; and they applied to the Department for a subsidy of 3s. a foot to drive, box, and block a low-level tunnel tail-race or channel 1,700 ft. in length from the Little Kapitea Creek to their claim at Callaghan's Flat. The subsidy was granted in August on the conditions that any other party taking up ground in the vicinity could sluice into the channel by paying a proportionate share of the maintenance. The channel is now driven the full distance, and the work has been carried out in a most creditable manner, true to line and level, but the boxing and blocking has yet to be done.

All the foregoing circumstances tended to materially reduce the sales of water for the year; but the falling-off is only temporary, and when Haney and party's channel is completed the probability is that the demand for water from the Callaghan's Race will be greater than the available supply.

Authorised free water to the amount of £35 15s. was supplied from the Middle Branch Race during the year.

The following is a summary of the revenue and expenditure of this race during the financial year ended 31st March, 1909: Sales of water, £422 1s. 3d.; cash received, £398 16s. 10d.; expenditure, £633 11s. 7d.; approximate value of gold obtained, £4,761 18s.; average number of miners employed, 9.