

no sluicing during the year. Some three months ago this party let a contract for driving a tunnel tail-race from Manukau Creek, which when completed should give every facility for working this highly auriferous area.

The following is a summary of the revenue and expenditure of this race for the year ended 31st March, 1911: Sales of water, £352 9s. 7d.; cash received, £359 9s. 7d.; expenditure, £470 5s.; approximate quantity of gold obtained, £3,993 12s.; average number of miners employed, 16'66.

KUMARA RACE.

The cash received for sales of water from this race for the year ended 31st March, 1911 was £351 7s. 11d., and the expenditure on gauging, maintenance, and repairs was £363 3s. 6d., showing a debit balance of £11 15s. 7d. on the year's transactions.

The average number of miners supplied with water from this race was eight, a decrease of 4'16 on the previous year; and the approximate quantity of gold obtained by them was 641 oz., of the value of £2,499 18s.

The sales of water for the year amounted to £330 2s. 10d., an increase of £3 12s. on the preceding year, and the cash received shows a decrease of £3 14s. 11d

The approximate quantity of gold obtained was 79 oz. less than during the previous year, representing a decrease in value of £308 2s.

The expenditure on gauging, maintenance, and repairs was £281 16s. 3d. less than the previous year. The head-race tunnel was well maintained during the year, but a considerable amount of lining and relathing has yet to be done before it can be taxed to its full carrying-capacity. This work, together with repairs to the long-disused branch race leading to Garner's new claim, will have to be carried out at an early date. All the other branch races and siphons (except the No. 5 siphon) are in good repair.

The Long Tunnel Company were the only party that sluiced into the No. 3 Channel deviation during the year, and they purchased water to the value of £245 12s. 6d.; but I regret to state that, owing to the very heavy expenditure incurred in maintaining and extending the channel, the results were so unsatisfactory that they have decided to close down until some of the other parties are ready to sluice into the deviation. This company deserve every credit for the honest effort they made to keep their men employed, although running their claim at a loss. Had other parties holding ground commanded by the No. 3 deviation shown a like spirit and persevered with their preparatory work they would have been ready to sluice long before the end of the year, and the Long Tunnel Company would now be a dividend-paying concern. Shannon and party and Garner and party have practically completed the driving of their tunnel tail-races, but the boxing, blocking, and other preparatory work has yet to be done. Both these parties should be ready to start sluicing in July or August. Messrs. Benyon and Murchie have been engaged for the past seven months in forming and laying a pipe-line to deviate the water-race between Dillmanstown and Kumara to enable them to get sufficient water to work their new claim on the eastern boundary of the Kumara Borough. The work has been carried out in a most creditable manner, and it is to be hoped that they will be well rewarded for their energy and enterprise. This party should also be ready to start sluicing in three months.

McGrath and Co.'s was the only private tail-race supplied with water from this race during the year. The No. 1 and No. 2 Kapitea Dams were empty from the 1st to 22nd March, and the sales of water showed a falling-off of £38 4s. 7d. on the previous month. The usual quantity of flushing-water authorized by the Department was supplied to the No. 3 Channel deviation, and water was also supplied to the Borough of Kumara free of charge for fire-brigade and other purposes.

The following is a summary of the revenue and expenditure of this race for the year ended 31st March, 1911: Sales of water, £330 2s. 10d.; cash received, £351 7s. 11d.; expenditure, £363 3s. 6d.; approximate quantity of gold obtained, £2,499 18s.; average number of men employed, 8.

WAIMEA-KUMARA WATER-RACES.

The following is a summary of the revenue and expenditure of these races for the financial year ended 31st March, 1911: Sales of water, £1,537 1s. 1d.; cash received, £1,558 4s. 9d.; expenditure, £1,421 16s. 7d.; approximate quantity of gold obtained, £13,451 2s.; average number of miners employed, 56.

It will be seen by the above summary that the value of sales of water from the combined races for the year was £1,537 1s. 1d., as against £1,704 15s. 4d. for the previous year, thus showing a decrease in the value of sales of water of £167 14s. 3d.

The total expenditure on gauging, maintenance, and repairs was £1,421 16s. 7d., as against £1,822 2s. 3d. for the previous year, a decrease in the cost of maintenance of £400 5s. 8d.

The cash received was £1,558 4s. 9d., as against £1,759 13s. 3d. for the previous year, showing a falling-off in revenue of £201 8s. 6d.

In my last annual report I stated that the combined races should show a profit for the year ending 31st March, 1911: and, notwithstanding the temporary and unexpected falling-off in the sales of water from the Waimea and Callaghan's Races, I am pleased to state that my expectations were realized, and that the revenue exceeded the expenditure by £136 8s. 2d. This is worthy of note, as it is the first occasion for ten years on which the combined races have paid a profit over working-expenses, and unless some unforeseen circumstance occurs the ensuing year should show a further improvement.

WAINIHIHI WATER-RACE.

There was an excellent supply of water from this race for the first ten months of the year, but during the months of February and March the quantity was considerably reduced.

No breaks occurred, and the race has been well maintained, and is now in a thorough state of repair.

I have, &c.,

JAMES ROCHFORD, Manager, Water-races.