

The Government prospecting-drills have been freely used during the year, and although in several instances the results have been of a negative character, this information has been gained by those concerned at a minimum of expense. In the Waikato the area which was partially prospected last year has been further tested, and the results have been such that the Government has acquired a considerable holding here to develop a State coal-mine. At Rimu Flat further placer-drilling took place, and as an outcome of the extensive keystone drilling which has been carried out here during recent years an American company has decided to install a powerful gold-dredge of modern type to deal with the heavy gold-bearing gravels. The Dunedin City Council finished boring their proposed reservoir area at Waipori, and the results of the drilling carried out during the past two years clearly show that the flooding of this reserve will not result in the loss of an extensive area of payable gold-bearing gravel. An aggregate of 9,534 ft. was drilled in seventy-one holes, a summary of which is as follows:—

Number of Holes drilled.	Mineral searched for.	Type of Drill used.	Cost per Foot, including Transport.	Aggregate Depth attained, in Feet.	Results.
9	Coal ..	Diamond ..	3s. to 4s. 5d.	1,712	Very good; workable area, Waikato coal-field.
3	„ ..	Percussive ..	5s.	865	Good; workable area, Waikato coalfield.
3	„ ..	Diamond ..	4s. 3d. to 5s. 11d.	1,336	No extent of workable area as yet found; boring in progress.
1	„ ..	„ ..	31s. 2d.	735	Coal-seam 8 ft. wide located; extent not yet proved.
1	„ ..	„ ..	..	250	In progress.
2	Gold ..	„ ..	..	628	„
24	„ ..	Keystone ..	8s.	2,496	No payable gold-bearing gravel located.
27	„ ..	„ ..	..	1,381	Results of boring not yet disclosed.
1	Coal ..	„ ..	..	131	In progress.
71	..	..	..	9,534	..

(3.) SUBSIDIZED ROADS ON GOLDFIELDS.

The following schedule shows the amounts expended by subsidies and direct grants out of the Public Works Fund, vote "Roads on Goldfields," and out of Consolidated Fund, in the different counties and boroughs during the year ended 31st March, 1920:—

Public Works Fund—		£	s.	d.
Direct grants	...	11,653	0	0
Subsidies	...	812	0	0
Consolidated Fund—				
Grants	...	631	0	0
Total	...	£13,096	0	0

(4.) GOVERNMENT WATER-RACES.

The Waimea-Kumara and Mount Ida water-races, which render possible hydraulic mining in the Kumara district, Westland, and the Naseby district, Central Otago, have supplied thirty-seven miners with water for sluicing during 1919, by which gold to the value of about £8,180 was won.

The average gross earnings of each miner, after deducting the sum paid to the Government for water supplied, amounted to about £183 for the year, but from this must be deducted all expenditure on plant, rent, &c.

The receipts and expenditure were as follows:—

	Receipts.			Expenditure.		
	£	s.	d.	£	s.	d.
Waimea-Kumara races	659	10	0	2,387	0	0
Mount Ida	738	10	0	1,669	0	0
Totals	£1,398	0	0	£4,056	0	0

From this it will be seen that the expenditure on upkeep exceeded the revenue received from sales of water by £2,658. The capital expenditure on these races exceeds £250,000, and as for several years past the races have not been self-supporting no sum has been allotted for depreciation or interest on capital. For the current year the loss on the races represents £72 per miner employed, or 32 per cent. of the value of the gold won.

VIII.—SCHOOLS OF MINES.

The following table shows the expenditure by the Government on schools of mines during 1919-20:—

Subsidies towards erection and maintenance	...	£	s.	d.
Salaries of teachers, travelling-expenses, &c.	...	1,742	4	9
Total	...	2,763	1	6
		£4,505	6	3

The schools continue to do useful work in the training of young men for positions at the various mines and in assaying and otherwise determining the value of prospector's samples in their respective districts.

I have, &c.,

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