(2) GOVERNMENT PROSPECTING DRILLS.

The following table gives details of the drilling done and the results obtained for twelve months ended 31st December, 1927:-

Drill Superintendents: W. H. Warburton, E. A. Wilson, E. W. Browne, and H. Butland. Drills used: Schram-Harker diamond, Keystone, and placer drills.

Number of Holes drilled.	Total Depth, in Feet.	Diameter of Hole.	Mineral sought.	Character of Rocks drilled through.	To whom lent.	Cost per Foot of Drilling.	Cost per Foot of Transport.	Cost per Foot of Carbon's Wear.	Results.
	Ft.	In.			, , , , , , , , , , , , , , , , , , , ,	s. d.	s. d.	s, d.	
1	443	3	Coal	Sandstones, shales, and clays	Hunter and party	s. u.	s. u.	s. u.	Not completed.
38	1,825	6	Gold	Fine gravels	Clutha Develop- ment, Ltd.	7 3	2 5	••	Fair.
36	2,720	6	,,	Clay and gravels	Clutha Junction Consolidated Prospecting & Gold-dredging Co., Ltd.	6 0	0 7½		Poor, with exception of one hole.
10	339	6	,,	Sand, gravels, &c.	F. G. Twiss				Fair.
6	424	6	,,	Gravels	Rimu Gold-dredg- ing Co., Ltd.		0 1	••	Area proved valueles
3	417	6	,,	Clay and gravels	J. Stevenson and party	••	••	••	Operations in progres
26	1,026	31/2	,,	Clay, gravel, and sand	Clutha Develop- ment, Ltd.	8 2	2 5	••	Fair.
120	7,194	,	1		٠				

(3) Subsidized Roads on Goldfields.

The expenditure in the form of subsidies and direct grants upon roads on goldfields amounted to £3,841, as compared with £3,612 during the previous year.

(4) GOVERNMENT WATER-RACES.

The Waimea-Kumara water-races, constructed and maintained by the Government for the purpose of assisting alluvial gold-mining in the district of Kumara (Westland), were sold to the Westland Electric-power Board, which took possession on the 1st August, 1927.

The following is a statement showing the cash received by the Government for water sold, and the expenditure on the upkeep of the races, to 31st July, 1927:-

	Receipts. (Sales of Water.)	Expenditure.	Debit Balance,	
Waimea-Kumara Water-races	 £ s. d. 447 1 10*	£ s. d. 844 12 6	£ s. d. 397 10 8	

^{*} Including royalty on timber, &c.

(5) Schools of Mines.

The total expenditure on schools of mines during the year ended the 31st March, 1928, amounted to £3,516 17s. 1d., against £3,885 16s. 5d. during the previous year. This includes a grant of £750 to the University of Otago for the Otago School of Mines. Some of the schools did excellent work, in particular the Thames School of Mines.

I desire to acknowledge the efficient help and co-operation which I have received from the Inspectors during the past year.

I have, &c., J. A. C. Bayne,

Inspecting Engineer of Mines.