No. 2.

Mr. James Coutts, Inspector of Mines, Thames, to the Under-Secretary, Mines Department, Wellington.

Sir,—
Inspector of Mines' Office, Thames, 19th February, 1906.
In compliance with section 75 of "The Coal-mines Act, 1905," I have the honour to transmit the following report on the coal-mines in the Auckland District for the year ended 31st December, 1905:—

Kawakawa.—This mine was for several years under the management of Mr. John Culley. Since his death his son, W. H. Culley, was granted a permit to manage the mine, in accordance with section 26 of "The Coal-mines Act, 1905," and continued to carry on the work as formerly laid out, but the pillars of coal left by the former owners becoming exhausted the lease was surrendered, and operations in the mine stopped on the 27th October, 1905. The output of coal for the year was 1,674 tons, a decrease of 1,838 tons as compared with the previous year. Five men were employed.

Hikurangi Coal Company (Limited).—This company's mine is under the management of Mr. T. P. Moody, who has carried on the various works successfully for the last thirteen years. The company's operations are still being directed to opening up a large area of coal on the western side of the railway, and, so far as this section has been proved, the coal has exceeded the manager's most sanguine expectations as regards thickness and quality. The seam has varied from 7 ft. to 10 ft. in thickness, the coal is easily worked, the roof fairly good, and there has not been the slightest difficulty in getting sufficient coal to supply the demand. Men are constantly employed in extracting pillars from the rise-workings on the eastern side of the railway. The coal from here being taken out in a careful and systematic manner comparatively little or nothing is lost. It was fully expected there would be a large quantity of water to contend with in the dip workings under the swamp, but a small Tangye Duplex steam-pump with 10 in. steam-cylinder is quite large enough to keep the workings dry. The ventilation in the mine when last inspected was all that could be desired; the workings were safe, and abundance of props and timber kept on hand to be used in securing the workings for the safety of the miners as required. The output of coal for the year was 50,410 tons, an increase of 5,436 tons as compared with the previous year. An average of sixty-one men were employed.

The Northern Coal Company (Limited), (W. R. Dunn, manager).—This company are extending their workings in a north-easterly direction. The coal is said to be improving in quality as the bords are being advanced. The seam varies from 6 ft. to 7 ft. in thickness. In the beginning of the year a new tramline and self-acting incline were constructed, which give better facilities for haulage, and have also effected a considerable saving in the cost of conveying the coal from the mine to the railway, where a new siding has been made north of the former loading-bank. The workings being still on the rising ground there is no water to contend with; the coal is easily worked, and therefore can be put on the market at a low price with a profit. The output of coal for the year was 37,733 tons, an increase of 12,014 tons as compared with the previous year, which enabled the directors to pay a dividend. The prospects are so much improved that dividends may be looked for by the shareholders at regular intervals. On an average sixty men were employed.

Waro (Phænix), (George Kerr, manager).—The company carried on various works during the year, the principal being the extension of the dip incline and opening up another level. The country in this section of the mine has been very much disturbed, faults being frequently met with, necessitating a large amount of extra work in opening up the patches of coal between them, and thereby adding to the cost of production. For some time past the mine has not been a paying concern, and the company entered into negotiations with the Northern Coal Company with a view to bringing about an amalgamation of the two companies. In consequence of this arrangement the mine was stopped in the month of October last. The output of coal for the year was 5,041 tons, a decrease of 2 tons as compared with the previous year. Thirteen men were employed

Panipo, Kiripaka (George Clemo, manager).—This company's operations have been mostly confined to the dip below the water-level, a small duplex steam-pump being used to keep this portion of the mine dry. The seam has varied from 2 ft. to 20 ft. in thickness, the whole (in most instances) being taken out as the levels and bords were advanced. The coal being of a soft, friable nature, there appeared to be no proper method of working, the coal being gouged out any way. As a rule, when a seam opens out to a great thickness the bottom portion is sometimes taken out first, but generally the top is advanced first and the bottoms benched down for the safety of the men, yet this mine under the management of Mr. Clemo has been very free from accidents of any kind. To work the remainder of the coal in this company's lease to advantage it was found (owing to the complicated nature of the boundary) to be to the mutual advantage of this company and the Ngunguru Coal Company to amalgamate their interests, an arrangement which was given effect to at the end of the year, Mr. A. H. Taylor of the Ngunguru Mine being appointed mine-manager of the combined properties. The output of coal last year was 8,720 tons, a decrease of 3,884 tons as compared with the previous year. Fourteen men were employed.

Ngunguru Mine (A. H. Taylor, manager).—This mine has been continuously worked for the last thirteen years with varied success. The seam being very thin, and the operations during the year entirely confined to the extraction of pillars of coal in the rise-workings, and those becoming exhausted,