

quality and thickness, the coal produced being of a much softer nature than that produced from the other sections. In the levels off the headings the seam improved considerably as they were advanced.

In the east section a small area was opened up, and the coal produced therefrom was of excellent quality. Solid work in this section is now completed, and a commencement made to extract the pillars. Between the fault and the line of outcrops on the west side a small area was opened up. This area has been somewhat disappointing, for all winning-places had to be stopped owing to the seam thinning to an unworkable thickness, and also the intrusion of iron-pyrites in the seam. In the old dip section pillars are being extracted, and as the pillars are extracted the water will be allowed to rise in order to flood the goaf area and thus prevent heating, which would otherwise probably occur.

Draining Adit.—With the object of reducing pumping-costs, also to provide free drainage for the water from the east, west, and dip sections, a drainage adit is now in the course of construction. When completed it will relieve three pumps which otherwise would be required during the life of the mine, also obviate the necessity of procuring another air-compressor.

Boring.—In my last report reference was made to a borehole being drilled on the banks of the James Creek, with the object of proving whether workable seams existed at a reasonable depth below the present one now being worked. This hole was drilled to a depth of 1,010 ft. without passing through any seams of coal.

Slack Coal.—One great drawback experienced from time to time in connection with this colliery is the difficulty of finding a profitable market for the amount of slack coal produced. For the screened coal there has always been a ready sale, but with the slack there are occasions when it has to be dumped in order to keep the mine working, also to enable the fulfilment of orders for screened coal. The piece of ground now used as a slack-dump is very convenient for dumping but not for reloading purposes. With a view of more economically dealing with the slack question arrangements are being made to level a piece of ground adjoining the colliery sidings, also to construct a siding, so that the railway-wagons may be taken into the dump. The loading of the slack into wagons will be carried out by mechanical means.

GENERAL.

Reviewing the work for the year, it will be seen there is a substantial increase in the output of coal from both collieries when compared with the previous year. The increased output at the Liverpool Colliery was 43,902 tons 2 cwt., and that of the James Colliery 7,723 tons 8 cwt., making a total of 51,625 tons 10 cwt. There is also a decided increase in the number of working-days and the miners average daily earnings at the Liverpool Colliery. The number of working-days was increased by 21½, and the miners daily earnings by 1s. 4d. The days worked at the James Mine show an increase of 27½, but there is practically no difference in the miners' average daily earnings when compared with the figures of the previous year.

The total amount paid in connection with coal-winning for wages, stores, mine-timber, and compensation at the Liverpool Colliery was £93,780 8s. 10d., and at the James Mine £21,952 11s. 8d., an increase of £21,183 9s. 11d. and £4,501 18s. 10d. respectively over the previous year.

A number of minor accidents have occurred during the year, also one of a serious character which resulted fatally. In connection with the latter a special report was forwarded.

Accompanying are copies of the working-plans of the Liverpool and James Mine workings.

In conclusion I wish to report that the officers in all branches have performed their duties in a most satisfactory manner, and I am also indebted to yourself for valuable assistance rendered in connection with the drafting of new working agreements for both collieries, also several other matters in connection with the mines.

I have, &c.,

I. A. JAMES, Superintendent.

The Under-Secretary, Mines Department, Wellington.