

arrangements for completing the prospecting tunnel now in progress, I have the honor to recommend that this additional assistance should be given. The work is being most satisfactorily executed, and at a cost still considerably below the original estimate. If it is merely looked on as work towards the exploration of the field, I consider the data obtained by the tunnel to be far more satisfactory, and I believe, less costly, than could be got by boring. A slight change for the better in the character of the coal measures between the outcrop and where they are cut in the tunnel, has already been found, so that the prospect of the venture being a commercial success is better than when the work was commenced. Even if the coal seams should not be worked for coal alone, as pointed out in my memorandum of 10th May, it is probable that they will be worked profitably in conjunction with the ironstone beds that are in contact with them. I do not think that the work could be more economically or rapidly pushed on than it is at present under the management of the company; and in the event of the tunnel proving the value of the mine to be satisfactory, the company will find no difficulty in increasing their capital, and repaying the advance, if required. This additional advance is made contingent upon the company being able to raise the balance necessary to complete the work. The best way to effect this will be to reduce the proportional payments made by Government from 75 per cent. to 30 per cent. of the amounts due from time to time under the contract.

The Hon. the Minister for Public Works, Wellington.

I have, &c.,

THOMAS HUTTON.

The UNDER SECRETARY to Mr. WEBSTER.

SIR,—

Public Works Office, Wellington, 14th July, 1873.

I am directed by the Hon. Mr. Richardson to acknowledge the receipt of your letter of the 18th June, and in reply to inform you that the Government have directed a further advance of £250 to be scheduled towards completing the Collingwood drive. This additional advance is made contingent upon the Company being able to raise the balance necessary to complete the work. The best way to effect this will be to reduce the proportional payments made by the Government from 75 per cent. to 30 per cent. of the amounts due from time to time under the contract, which course be good enough to follow.

I have, &c.,

H. M. Webster, Esq., Legal Manager,
Collingwood Coal Mining Company, Nelson.

JOHN KNOWLES,
Under Secretary.

Mr. WEBSTER to the UNDER SECRETARY for PUBLIC WORKS.

SIR,—

Nelson, 19th July, 1873.

I have to acknowledge the receipt of your letter of the 14th instant, advising me that the Government had made a further advance of £250 towards completing Tunnel B; and I now beg to convey the assurance of the Directors of this Company that the necessary funds will be raised by them to complete the drive. The work is being pushed forward as rapidly as possible, the contractor averaging about 50 feet per month.

I have, &c.,

John Knowles, Esq., Under Secretary, Wellington.

H. M. WEBSTER.

Dr. HECTOR to the Hon. the COLONIAL SECRETARY.

SIR,—

Geological Survey Office, Wellington, 2nd September, 1873.

I have the honor to report that, in consequence of my having received information to the effect that several faults or dislocations of the strata had been encountered in the tunnel which is being driven to explore the coal measures at the Collingwood Mine, I took the opportunity of the "Luna's" visit to the Spit Light to land at Collingwood and inspect the work. The tunnel is now in 400 feet, and the following is the section of the strata passed through:—

							Feet.
1.	Tough sandstone and breccia, with carbonaceous matter	...	...	...	...	...	165·0
	Dip 19° to W.						
2.	Coal, clean and bright	...	...	...	...	...	·5
3.	Sandstone band	...	...	...	...	...	2·0
4.	Coal, clean and bright	...	...	...	...	...	1·2
5.	Sandy shale	...	...	...	...	...	2·5
6.	Ironstone	...	...	...	...	...	1·0
7.	Sandstone, with bands of grit. Fault. Downthrow to W. 18 inches	...	...	...	...	...	28·0
8.	Sandstone and breccia. Dip 12° W. Fault. Downthrow to S.W. 18 inches	...	...	...	...	...	39·0
9.	Dark sandy shale with films of coal. Dip 30° to W.	...	...	...	...	...	18·0
10.	Ironstone	...	...	...	...	...	1·4
11.	Coal, not clean	...	...	...	...	...	·5
12.	Sandstone	...	...	...	...	...	·7
13.	Coal, clean	...	...	...	...	...	·8
	Dip 30° to W., and passes under a thick mass of						
14.	Dolomite of magnesia limestone, passing into breccia of the same. Contains carb. of lime, 53 per cent.; carb. of magnesia, 44 per cent.	...	...	...	...	...	15·0
	The coal then rises again in the floor of the drive, and 10 to 13 are again cut with dip 16° W.						
15.	Tough carbonaceous sandy shale. Dip 10° to N. 30 W.	...	...	...	...	...	27·0
16.	Coal mixed with shale	...	...	...	...	...	4·0
17.	Ironstone.	...	...	...	...	...	1·0
	Fault. Downthrow 9 feet to W. at 45°.						
18.	Tough crown carbonaceous sandstone, not bedded	...	...	...	...	...	45·0