

Seddonville coal is gaining in favour. It is being regularly supplied to some of our gasworks, and is giving good results. The briquettes and eggettes made from this coal are more sought after, and when it is generally recognised what a very economical fuel they are there is likely to be a large demand, thus overcoming, as was anticipated, the difficulty of disposing of the small coal from this mine.

In reference to the sales I would point out that nearly all of the coal supplied to shipping companies is small or slack—of which a large proportion is made when screening coal for railways and others—and the sales therefor are at f.o.b. prices, not with freight added, as is the case with all other classes, excepting, of course, local sales at Greymouth and Westport.

The Wellington, Christchurch, and Wanganui depots are rapidly increasing their sales. The Dunedin depot, which was established during the year, is, notwithstanding the competition of local coals, making steady progress. As our output increases other depots will be established in convenient centres. An effort was made to get municipal authorities to undertake the sale of State coal in the smaller and inland centres; but this did not meet with the success anticipated. The Borough Councils do not appear anxious to undertake the running of coal-yards. However, this phase of our business is not being lost sight of.

Work at the mines has been regular during the period under review. The seams maintain their quality, and give every indication of permanency.

The development of the coal at the head of the Seven- and Ten-mile Creeks is proceeding. The railway connections are being pushed on by the Public Works Department, and the coal will probably be available by the end of the ensuing year. This will materially increase our output; and the quality of the article, all round, is expected to be much better than any at present in the market.

The officers and men connected with the various branches of the undertaking have all worked energetically and well for the furtherance of the industry.

All the ways and working plants in and about the mines are maintained in an efficient state of repair.

The reports of the Managers of Point Elizabeth and Seddonville Mines, giving more detailed information, are attached.

In conclusion, the Dominion has no cause to regret the establishment of its State Coal Department, which has now been five years in existence, and has been a beneficial and profitable undertaking.

I have, &c.,

W. C. GASQUOINE,

General Manager.

The Under-Secretary, Mines Department, Wellington.

Mr. JAMES BISHOP, Manager of the Point Elizabeth State Coal-mine, to the UNDER-SECRETARY OF MINES, Wellington.

SIR,—

Greymouth, 10th July, 1909.

I have the honour to forward my annual report on the operations at the Point Elizabeth State Coal-mine for the year ending 31st March last.

UNDERGROUND WORKINGS.

The workings in both sections of the No. 1 colliery have been extended in the dip areas, and the whole of the output (with the exception of a small portion obtained from the rise in No. 1 section) has been obtained from the dip workings, where the thickness of the main seam has been well maintained.

The further extension of the workings in this direction has been seriously impeded by down-throw faults, the effect of which has been proved by bores, but the haulage-roads have not yet been extended beyond the faulting. In the No. 2 section of the workings the seam which underlies the coal, and is separated therefrom by only 20 ft. of sandstone, is being opened up, and is proving very satisfactory, the thickness of seam being from 4 ft. to 6 ft., bright hard coal.

COAL-MINING.

The output for the year was, from No. 1 section, 145,976 tons 17 cwt., and from No. 2, 103,465 tons 11 cwt., making a gross total of 249,442 tons 8 cwt., from which has to be deducted mine consumption and waste 9,555 tons 5 cwt. 3 qr., leaving available for market 239,887 tons 2 cwt. 1 qr. The mine worked on 261 days 1 hour; time lost by reason of union holidays was 40 days 4 hours; interruption to shipping on account of bad weather affecting the port 3 days 6 hours; accidents, 5 days; and landslip, 2 days 5 hours. The time lost from interruption to shipping was the smallest since the opening of the colliery. The time worked averages five days per week, and the daily average output was 955 tons 5 cwt. Employees numbered (approximately) 340 underground and 100 overground.

The gross total output from the colliery since the date of starting to ship coal in June, 1904, to the end of the period under consideration is 884,333 tons 10 cwt.

SURFACE WORKS.

The whole of the plant, machinery, and buildings have been maintained in good and efficient condition. The haulage-engines and air-compressors have worked satisfactorily. The compressed air is mainly used for actuating pumps placed underground, and which force the water through