In addition to the above, the No. 3 mine was idle on one day owing to a slip on the railway, thus making a total loss of 63 days for this mine, and accounting for the difference in the number of working-days.

The average number of persons employed in and about the mine in connection with coal-winning was 325 (an increase of 49 as compared with the previous year), made up as follows: Underground—Coal-hewers, 114; deputies, shiftmen, and truckers, 126; on the surface—57 men and 28 boys.

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In addition to those employed under the head of "coal-winning" there were 17 men and 1 boy employed on property and development work, making a total number for this colliery of 314 men and 29 boys.

The total payments made in connection with coal-winning on account of wages, stores, minetimber, and compensation amounted to £96,890 15s. 5d., an increase of £33,210 0s. 5d. in payments made when compared with the previous year.

The coal-hewer's average daily gross earning was 28s. 2.78d., and the net return to each man was 25s. 11.45d., a net increase of 6s. 9.28d. per day per man over last year.

Underground Development.—With the exception of the Morgan seam, where fifteen pairs of miners are employed in solid workings, the bulk of the output was obtained from pillar-extraction in the Nos. 1-3 and 3A mines.

In the Morgan seam operations are now confined to developing the area north and west of the haulage-road, all workings on the eastern side being stopped owing to the seam pinching and the intrusion of stone bands. Reference to the plan accompanying this report shows that the western levels have been driven several chains in advance of where the upper seam stopped in the direction of Tararu Creek, and whilst admitting that the coal from this area is much harder of late, it is regrettable to report that the seam in the main west level is showing signs of pinching, it being only 7 ft. 6 in. thick, inclusive of two bands of stone of a total thickness of 6 in. The seam in the main headings driven in a northerly direction maintain an average thickness of 8 ft.

Work in the upper seam overlying the Morgan seam is confined to pillar-extraction, and in places where the overlying strata is thin some of the pillars are merely split and robbed, the small pillars being left to protect the surface, and thus prevent water entering the mine from the small creeks.

In the No. 3 mine twenty-one pairs of miners are employed extracting pillars on the eastern side of the haulage-road. All pillars on the western side, with the exception of those left to protect the haulage-road, have been extracted. A reasonable output may be expected from this mine for the next six months, and afterwards a gradual decline.

In the No. 3A mine three pairs of miners are employed extracting pillars. This mine is nearing exhaustion, and in the course of four or five months continuous working operations may cease altogether.

Development Work.—Under this head practically nothing of importance has been done. The low-level haulage-tunnel, which was in course of construction to intersect the Morgan seam at its lowest point, was stopped at the beginning of the year. At the present face of the drive, which is 21 chains distance from the tunnel-entrance, a coal-seam was struck, from which inflammable gas was freely given off. In order to relieve this gas, and with a view of ventilating the tunnel more efficiently, the coal-seam was driven on in a westerly course for a distance of 3 chains, and a borehole 4 in. in diameter has been drilled from the surface at a gradient of 1 in 1½ connecting with the seam at this point. From this latter point a rise will be constructed to the surface, and the borehole will serve the purpose of ventilating, also indicate the direction and gradient of the rise.

Since the borehole herein referred to was drilled, nothing further has been done pending the arrival of suitable permitted explosives for stonework. In this connection I may state that an order was placed several months ago for the permitted explosive Samsonite No. 2, but the makers now state they are unable to supply owing to their inability to procure the necessary ingredients for the manufacturing of this explosive. In view, however, of the near exhaustion of the Nos. 3 and 3a mines it is imperative that this tunnel be constructed without delay, therefore an attempt will be made to complete the construction of this tunnel with the ordinary permitted explosives similar to that now used for blasting in coal.

Cable Tram.—During the year a cable tram was installed for the conveying of workmen from near Rewanui Railway-station to what is known as the middle brake. This necessitated (a) the laying of a 3-ft.-gauge tramway, 25 chains in length, up a grade of 1 in 4; (b) the erection of a haulage-engine coupled with a pair of winding-drums, and the housing of same; (c) the building of two cars for the carriage of workmen. The tramway from the lower end to a point near midway is laid on the three-rail principle, and from there on to the upper terminus with a double road. Between each road is also laid a centre-rail.

The cars, each of which are capable of seating thirty-eight passengers, are fitted with nineteen seats on each side. The seats are so arranged that the passengers sit in a horizontal position when being either raised or lowered on the incline. Each car is also fitted with a safety appliance which automatically comes into operation by gripping the centre-rail once the tension of the rope is released. The safety appliance has been tested on several occasions on both a loaded and empty car by releasing the rope, and it is pleasing to report that on all occasions it never failed to act.

Bouling-green, Tennis-court, and Recreation-ground.—With a view of making the conditions of the employees of the State collieries more congenial, a large sum of money has been expended in improving the recreation-ground, the laying-down of a tennis-court, and a sum of money has also been voted for making a bowling-green. The tennis-court, which is laid down in tarred asphalt and properly fenced with wire netting, is, I am pleased to report, much appreciated and patronized by the residents of Runanga. The work of laying down a full-sized bowling-green adjoining the tennis-court is now taken in hand, and it is expected the same will be ready for use by next summer.