

for the sale of the increasing stock, partly in consequence of a demand for horses for the supply of the East India cavalry, for which purpose an officer is now residing in New South Wales, to continue the purchase annually; who has expressed his opinion, that, after travelling over most of the colony in the search of horses, he had seen none which could be compared to those bred by the company.

During the year 1834, 276 bales of wool were received from the Company's estate, producing, after deducting all charges of freight, &c. above 7,000*l*. The quality and condition of the wool continues to improve.

512 hides were also imported during the same year. They realized a net amount of 208*l*. 13*s*. 6*d*.

With a view to facilitate the export of coal from the colony, a depôt has been formed at Sydney, affording very great advantage for the shipping of coal as ballast, at a reasonable price, thus obviating the necessity for ships going to Newcastle for this purpose.

The Company's operations at Newcastle commenced in the year 1832; the sale of coal during the last year was nearly 8,000 tons, being a considerable increase on the preceding year. The coal is delivered at the rate of 2*s*. 6*d*. per ton.

It may be anticipated that a constantly increasing sale will accrue within the colony, not only at Sydney, but at the various smaller towns fast rising into importance; and in contemplating the numerous thickly peopled settlements and ports abounding in the eastern seas, including Calcutta, Madras, Bombay, Batavia, Canton, Singapore, the Isle of France, &c. &c., to many of which places coal has frequently been shipped from Great Britain, and at all which it finds a ready and profitable sale. An extensive demand for exportation, independently of the consumption of the produce of these mines, is likely to be caused by steam navigation, which is now introduced into that quarter of the globe.

Considerable progress has been made in the erection of buildings for the manufacture of salt from sea water in the immediate neighbourhood of the colliery, in a highly favourable situation for the purpose. Considering the increasing demand for salt for curing meat in the colony, together with the advantage possessed by the Company of having fuel close at hand, it may be fairly anticipated that this experiment will be attended with success.

The cultivation of the vine has been commenced, on a small scale, at Port Stephens, with promising prospects.

A sample of opium, grown on the Company's estate, has been analysed by an eminent chemist in London, and pronounced to be about equal to Egyptian opium, and to contain about two-thirds the quantity of Morphia, usually found in the best Turkey opium.

The principal settlement of the Company is at Port Stephens, which is situated in latitude 32.40*l*, one degree N. of Sydney, and appears to consist