Underground Workings.—The output was obtained from pillar-extraction in No. 2 Mine, A and B panels in No. 3 Mine, and development work in the No. 3 Extended Mine. The west side of the latter mine proved disappointing, as the coal thinned down to about 2 ft. thick with stone intrusions. Due to these conditions, all development except No. 4 West Section is now confined to the east of the main haulage road, resulting in an unbalanced mine.

Development.—No. 2 West: Development is completed and the section is ready for pillar-extraction.

No. 3 West: Development completed.

No. 4 West: These headings were driven 16 chains before encountering this coal, whence two headings were driven southwards to enable proved coal to be worked along the Te Puroa Road boundary. These slant headings will hole into a gully eroded below the horizon of the seam, and a filling 5 chains long and 20 ft. deep must be provided before the haulage road can be extended and the coal worked along the boundary. At a later stage it may be possible to work some of the outcrop coal by opencast methods, and this proposal will be investigated at the proper time.

No. 2 East: A little further work on the north side of the section will complete development in this panel, and pillar-extraction has already commenced on the south

side. Coal-cutters and coal-drills are being operated in this section.

No. 3 East has presented difficulties during the year because of the faulted nature of the country. After crossing a downthrow fault of 70 ft. displacement in the main heading, further faulting was encountered to the north, while two further upthrow displacements of 8 ft. and 3 ft. respectively were crossed in the heading. Coal cutters and drills are also operated in this section.

No. 4 East is now developed and pillar-extraction can be commenced.

Stone-dusting.—Dusting of the main haulage roadways was carried out at regular intervals during the year, in addition to the daily dusting of the working places. During the year 61 samples of dust were taken and analysed.

Dangerous Occurrences.—There were no dangerous occurrences during the past year. Stoppings.—These were erected where required right throughout the mine as development proceeded.

Plant.—An additional electric coal-drill was put into operation during the year, with excellent result. The main fan was installed on the north side of No. 2 East Section and an endless haulage in No. 4 West Section. The No. 3 Mine fan was transferred from its original position to the south end of No. 3 Mine, thereby increasing the volume of air, also the efficiency of the fan. Ninety new mine skips were put into use during the year.

Private Railway-line.—Maintenance work was carried out during the year to the line and railway bridges. The cost of maintenance is exceedingly high. Prospective increases in railway charges will tend to make haulage costs from the mine to Ngaruawahia excessive.

Bus Service.—Three buses operated by a contractor provide an efficient transport service for the workmen. The recent extension of the road beyond the bathhouse to the No. 3 Extended Mine has proved of benefit to the operation of the mine, enabling the men to be conveyed much closer to their work. As more men are employed and the service extended, the provision of an additional bus is being considered.

Housing and Mine Buildings.—These were maintained in good order during the year. Several housing loans were granted to enable employees to build their own homes. The Manager's residence was completed and occupied in December.

Mechanization.—Two electric coal-cutters are now operated with two electric coal-drills. We are awaiting delivery of the two scraper loaders from Australia, also one coal-cutter with hole-boring attachments from England. Delivery of a further coal-cutter is delayed because of the difficulty in procuring electric motors.