Days worked.—The colliery worked on  $228\frac{1}{16}$  days out of a possible 242. In addition, the colliery worked on 13 back Saturdays and 5 statutory holidays, making the total days worked  $246\frac{1}{16}$ . The difference between the ordinary days worked and the possible number of working-days is accounted for as follows:  $6\frac{1}{2}$  days, disputes;  $4\frac{1}{16}$  days, stop-work meetings;  $\frac{1}{2}$  day, power failure;  $2\frac{1}{8}$  days, mechanical breakdowns;  $\frac{1}{2}$  day, transport;  $\frac{1}{4}$  day, election.

Employees.—In connection with coal-winning, there were employed in and about the mine an average of 123 men and 2 boys, made up as follows—Underground: coal-hewers, 34; deputies, shiftmen, and truckers, 66. Surface: 23 men and 2 boys.

Daily Earnings.—The coal-hewers' average daily earnings were (gross) £2 18s. 4d., and after deducting stores, 2s. 4d., their net return was £2 16s., a decrease of 11d. per day when compared with the previous year.

Daily Output.—The average daily output was 219 tons 4 cwt. and the average per coal-hewer was 8 tons 2 cwt., as compared with 234 tons 7 cwt. and 8 tons 18 cwt. for the previous year.

Deficiencies.—No amounts were paid under the minimum-wage clause during the year.

Accidents.—During the year there were no accidents of a serious nature. The number of minor accidents necessitating absence from work for three days or more was 73.

Underground Workings.—Development has been confined to the No. 2 East, where a pair of headings has now reached a point 32 chains from the junction of the main dip. General conditions in this area are uniform, with coal of excellent quality throughout the section, and rise panels can now be developed.

For the proposed introduction of hydraulic stowing a new portal has been formed, which involved driving approximately 3 chains, of which distance the first chain was in stone.

Production for the year has been from pillaring in the No. 2 West, No. 2 East, and No. 1 East rise panels, the latter section coming into production when, in December, the West Section was permanently sealed after the extraction of the last pillars.

Repeated instances of spontaneous heating were experienced in both pillar sections, with live fires occurring at times, while general heating in the floor throughout increased the difficulties. Water-mains have been installed throughout to deal with heatings.

Floor heave, excessive in some areas, created additional deadwork, and this in the No. 1 East haulage roadway and return involved months of roof brushing and reconditioning. While the work was mainly on coal, excessive extras applied, with man-shift production much below that from solid places.

Pillaring results in Mangapehi Mine, due to the percentage of miners accustomed to this class of work being very low, are very disappointing, and, with the completion of the extraction of the panels now operating, changes in the development system will be made.

This, briefly, will be by retreating from the rise in each panel with pillaring immediately following the completion of the bords, with only roadway and air-course through the solid block of coal below the working-faces.

The altered system, designed to meet changed conditions encountered in the lower levels due to additional cover and extension of workings, should make a decided improvement and permit of concentration in smaller areas. The flushing system is being introduced and perfected to meet the conditions existing.

The output, which has declined, has been below expectations, absenteeism being a contributing factor. A shortage of men and a drift from the mines has followed the cessation of hostilities overseas, and applications for work from experienced men are rare.