

Haulage-road and screening-plant: The proposed line of haulage-roads, ACBD and CE, together with the approximate position of the screening-plant, are also shown on the accompanying plan. The object in selecting these routes is that, with the exception of a small area which lies along the north-west boundary in the neighbourhood of bores Nos. 8 and 9, all the coal-bearing land can be worked level-free, which is a very important factor, as no pumping will be required. To connect with the seam from the point marked A on the plan it will be necessary to construct a tunnel, the exact length of which cannot be ascertained until a more detailed survey is made, but from inspection of the locality it will be not less than 5 chains.

Entrance to mine: Until such time as the main haulage-road is driven from A to B shown on the accompanying plan, and a connection made from B to the drive shown in Brown Creek, the point A will be the mine-entrance; but once this connection is made the permanent mine-entrance will be in the vicinity where the haulage-road BD crosses Brown Creek.

Buildings: Until such time as the railway is constructed, and in order that preliminary operations may be proceeded with, it is proposed to erect only temporary buildings, such as huts for workmen, workshops, office, store-room, and repair two of the cottages on the property, as it would be too costly to cart material for the permanent buildings from either Huntly or Rotowaro Station.

Township: The best locality for a township is the village-settlement reserve of 327 acres adjoining the property on its eastern boundary. This reserve, or the greater part of it, should be subdivided into quarter-acre sections, together with the necessary streets. Adequate reserve for a school, recreation-ground, hall, library, and places of worship should be made.

Housing of employees: As outlined in this report, it will be seen that the life of the MacDonald Mine is likely to extend over a lengthy period, and the question of erecting workmen's dwellings with a more permanent material than wood should be considered. On the property there is an abundance of clay suitable for the manufacture of bricks; this, together with the small coal which will be available, should enable them to be cheaply made. But before actually deciding on this question it would be advisable to have some information as to the cost of concrete buildings, so as to be able to make a fair comparison of the relative advantages of brick and concrete. The writer is therefore of the opinion that a housing expert should be consulted.

Assistant Manager: With a view of commencing with preliminary operations at this mine, also the making of a detailed survey, together with a contour survey of the property, an Assistant Manager has been appointed. This officer takes up his duties as from the 1st June, 1920.

GENERAL.

Reviewing the work for the year, it will be seen there is a decided reduction in output from the Liverpool and Point Elizabeth Collieries, and also a decrease in the average daily earnings when compared with the figures for the previous year.

With regard to the Liverpool Colliery, it is regrettable to report that, although the number of working-days are 40½ in excess of the previous year, the output is less by nearly 8,000 tons. This is due chiefly to the miners adopting a go-slow policy from about the 1st September, 1919, to the 13th March last, and also to the average number of miners being slightly less than during the previous year. Since the latter date, however, this restriction has been removed, an amicable settlement having been arrived at between representatives of the coal-owners and the Miners' Federation.

The reduction in output at the Point Elizabeth Colliery, although partly due to the adoption of the go-slow policy, was also due to the approaching exhaustion of the mine. Operations ceased altogether at this mine on the 20th March last.

The financial results for the year's working will no doubt be disappointing when compared with the figures of the previous few years. This may be attributed to the cost of production being higher, due to the reduced output in consequence of the adoption of the go-slow policy for over six months of the year, and also the high cost of material, and the selling of State coal at far too low a rate. Although, as previously stated, the restriction in output has to a large extent been removed, the fact must not be overlooked that, in view of the recent substantial increases granted to employees, the cost of production will be correspondingly increased; therefore it will not be out of place to state that unless higher selling-prices are obtained in the future it will be practically impossible for the management to work these mines at a profit.

In conclusion, I wish to say that all the officers in the various branches have performed their duties in a most satisfactory manner, and the Consulting Engineer and also the Director of Geological Survey have rendered valuable assistance in the various developments connected with the mines.

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I. A. JAMES,

General Manager.

The Under-Secretary, Mines Department, Wellington.