

ITEMS FROM ANNUAL ACCOUNTS AND BALANCE-SHEET.

The following details extracted from the audited accounts will enable honourable members to appraise the financial position of the Department's trading venture :—

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The payments for interest totalled	3,201
The cost of sea carriage of coal amounted to	43,512
The cost of railway haulage amounted to	33,349
The total wages paid for coal-winning were	93,828
The cost of management and office salaries (Head Office and mines) totalled	3,573
The gross capital expenditure on the whole undertaking to the 31st March, 1937, was	704,314
The total depreciation written off to 31st March, 1937 (equal to 76·7 per cent. of the gross capital expenditure) amounted to	540,189
The amount written off for depreciation for the year was	9,684
The present book value of permanent or fixed assets is	164,124
The loan capital as at 31st March, 1937, stood at	78,423
The net profits of the State Coal-mines Account from inception to 31st March, 1937, after charging the special depreciation of Colliery Development Accounts and after crediting interest on Sinking Fund investments, were	206,940
The net profit for the year ended 31st March, 1937, was	14,558
The Sinking Fund as at 31st March, 1937, was in credit	9,181
The amount taken out of the Sinking Fund during the year and applied in reduction of loan capital was	8,820
General Reserve as at 31st March, 1937, stood at	192,378
The amount at credit of Profit and Loss as at 31st March, 1937, was	5,380
Realization of investments of the State Coal-mines Account at 31st March, 1937, to meet expenditure in opening up and developing the new mine amounted to	20,000
The cash in hand and in the Public Account as at 31st March, 1937, was (last year £12,311)	27,602

I would draw particular attention to the total wages paid for coal-winning during the year amounting to the sum of £93,828. These wages were distributed amongst 367 men and twenty-seven youths, and represent an average income per employee of £239. In the financial year 1934–35, immediately prior to the commencement of the present Government's term of office, the total wages paid amounted to £63,353. This sum was distributed amongst 373 men and twenty-six youths, and represented an average income of £159. The increase in the individual worker's earnings has therefore been over 50 per cent. within two years.

DEVELOPMENT OF NEW MINE: NINE-MILE CREEK AREA.

Work in connection with the opening-up and development of the new mine, which is rendered necessary on account of the approaching exhaustion of the James Mine, proceeded during the year.

It was considered that the best means of opening up the coal seams was by an extension of the present rope road from the James Colliery.

This involves the driving of four tunnels in stone, together with one return airway in stone, and the construction of a viaduct $6\frac{1}{4}$ chains in length.

A surface road of approximately 1 mile in length, connecting the main tunnel leading to the coal with the main Greymouth–Westport traffic road, has been constructed to enable the transport of men and material.

Most of the surveys have been completed.

A commencement has been made to drive the tunnel from Cannel Creek to Nine-mile Creek and the main tunnel leading to the coal. Recently, two contracts have been let to co-operative parties to drive portions of these tunnels. At present the work is hampered through a shortage of electrical power to drive the compressors, but it is expected that this difficulty will be overcome shortly. Compressors, rock-drills, and electric plant were ordered, the main portion of which has been received and is being erected.