

The total wages paid for coal-winning at both collieries during the year amounted to the sum of £109,098. These wages were distributed amongst 377 men and 26 youths, and represent an average income per employee of £271. For the previous year the average income per employee was £239, the total sum paid in wages for coal-winning being £93,828 and the number of employees being 367 men and 27 youths.

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 26 youths, and represented an average income of £159. The increase in the individual worker's earnings has been over 70 per cent. within three years.

DEVELOPMENT OF NEW MINE: NINE-MILE CREEK AREA.

The James Colliery, which at present supplies practically the whole of the requirements of the State coal business for the household trade, is rapidly reaching the stage at which it will be impossible to operate economically as a unit for the production of coal in substantial quantities. About two years ago boring on the Nine-mile Creek area was completed and steps were taken to open up and develop a proved field of coal to replace the James Colliery.

Very good progress has been made with the work, which is estimated to cost £182,000 when completed.

The principal work undertaken during the year consisted of driving a series of tunnels for the main haulage road. Contracts were let by tender for these jobs to parties of experienced miners working on a co-operative basis. A total of approximately 49 chains was driven.

The erection of up-to-date workshops and a store for materials was completed, and a start made with the foundations for the bathhouse and boiler-house.

An order was placed with an English manufacturer for a modern screening-plant and storage-bin, and it is considered that this unit will be the best of its kind in the Dominion.

The supply of plant and rolling-stock is well under way, and under normal circumstances it is expected that coal-production will commence before the end of 1938.

A substantial part of the cost of the development of the new mine is being financed by the State Coal-mines Account itself.

HOUSING.

Forty-one loans, including six during the year under review, have been granted to miners and other workmen under the Department's housing scheme to enable them to erect and own their own houses. The loans, which range from £250 to £450, are repayable, together with interest, by fortnightly payments over a term of twenty years. I am pleased to state that a sum of £6,000 is being provided on the current year's estimates of the State Coal-mines Account to enable further loans to be made.

GEOLOGICAL SURVEY.

During the 1937-38 field season geological mapping was carried out in five districts—Dannevirke, Reefton, Greymouth, Moeraki, and Glenorchy. In addition, officers paid visits to the Ohura, Green Island, and Ohai coalfields, explored the coast south from Martin Bay to Madagascar Beach where oil seepages occur, and reported on other deposits of possible economic value.

The western part of the Dannevirke Subdivision was explored. There is clear evidence of the presence of petroleum farther east, but the chances of oil being found in the area mapped this season are poor.