

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	2,964
The cost of sea carriage of coal amounted to	46,527
The cost of railway haulage amounted to	33,033
The total wages paid for coal-winning were	112,072
The cost of management and office salaries (Head Office and mines) totalled	4,579
The gross capital expenditure on the whole undertaking to the 31st March, 1939, was	827,498
The total depreciation written off to 31st March, 1939 (equal to 67·48 per cent. of the gross capital expenditure) amounted to	558,399
The amount written off for depreciation for the year was	7,282
The present book value of permanent or fixed assets is	268,722
The loan capital as at 31st March, 1939, stood at	154,718
The net profits of the State Coal-mines Account from inception to 31st March, 1939, after charging the special depreciation of Colliery Development Accounts and after crediting interest on Sinking Fund investments, were	233,421
The net profit for the year ended 31st March, 1939, was	13,313
The Sinking Fund as at 31st March, 1939, was in credit	11,767
The amount taken out of the Sinking Fund during the year and applied in reduction of loan capital was	9,525
General Reserve as at 31st March, 1939, stood at	220,107
The amount at credit of Profit and Loss as at 31st March, 1939, was	1,546
Realization of investments of the State Coal-mines Account as at 31st March, 1939, to meet expenditure in opening up and developing the new mine amounted to	62,800
The cash in hand and in the Public Account as at 31st March, 1939, was (last year £11,956)	7,625

The total wages paid for coal-winning at both collieries during the year amounted to the sum of £112,072. These wages were distributed amongst 385 men and 26 youths, and represent an average income per employee of £273. For the previous year the average income per employee was £271, the total sum paid in wages for coal-winning being £109,098 and the number of employees being 377 men and 26 youths.

STRONGMAN MINE.

Throughout 1938 steady progress was made in the construction of the stone drives required to extend the James Mine haulage system and to reach the coal-seam in the new colliery, now known as the Strongman Mine, in the Nine-mile Creek area.

This work was practically completed at the end of the year, and coal-production commenced on 31st January, 1939.

Including the new drive over the northern portion of the James haulage road, 111 chains of driving in stone had to be carried out, and the haulage road from the bins to the present coal-face is over two miles in length.

The seam now being worked is the upper of two seams each over 20 ft. in thickness. The coal finds a ready sale for household purposes and is also of excellent quality for gasmaking.

Near the mine-entrance a reinforced-concrete bathhouse has been built capable of accommodating a hundred workmen. The miners' clothes will be dried by an up-to-date method which is novel to New Zealand collieries.

A large steel screening and storage plant, designed by a well-known firm of English mining engineers, has been imported and is in process of erection near the old James Mine bins at Rapahoe.

Apart from run-of-mine coal, it will be possible to produce four sizes of the product and mixtures of all grades (except the fines) will be available to suit any particular requirements of the market.