

Seeing that we have so valuable an asset as our coalfields, it behoves the Government to carefully conserve the coal lands, and that when leased, to see that the conditions under which they are granted provide for the proper working of the mines, so that the coal may not be wasted. It is stated by Mr. Kennedy, the managing director of the Brunner Mines, that about 500 tons of slack coal is emptied into the Grey River every month, which ought to be utilized. If this slack were washed and ground into fine dust, as is done in Wales, and made into coke, it would produce the finest quality in the world, and find a ready market at Port Pirie, where Welsh coke is now being used for smelting purposes. Care should also be taken that the amalgamations of large coal-mining leases are not effected unless strong reasons are shown that the coal cannot be advantageously worked otherwise. The taking up of large areas of land in coal-mining leases, as in the past, and holding them year after year without any work being done, will be discouraged. The lessees should be compelled to either work the mines or have the leases cancelled.

Since 1878, when the returns of the output from the various mines have been kept by the Mines Department, there was a steady increase in the output year by year up to 1889, but there was a falling-off in that year of 27,450 tons from that of the previous year. It is, however, gratifying to find that last year there was a considerable increase. The total output last year was 637,397 tons, as against 586,445 tons for the previous year, showing an increase of 50,952 tons. The coal imported last year amounted to 110,938 tons, as against 128,063 tons for the year previous, being a decrease of 17,124 tons. Taking the total output from all the mines of the colony, and the quantity of coal imported last year, we have 748,336 tons, as against 714,508 tons of coal raised and imported for the year previous, showing an increased consumption of 33,828 tons. During last year 76,388 tons was exported; but of this quantity 42,984 tons was used in coaling Direct mail-steamers, which may be considered as consumption within the colony, as it is by the trade between the colony and the Home Country that these steamers are supported. On this basis, therefore, the total consumption of coal within the colony last year was 714,932 tons, as against 675,218 tons for the previous year, being an increase of 39,714 tons. I think there can be no better indication of the gradual progress of industries in the colony than is shown by the extra quantity of fuel consumed. The total quantity of coal raised in the colony since the records have been kept by the Mines Department is 6,456,674 tons.

The importation of coals last year was caused to some extent by the unfortunate strikes which occurred. For instance, the Shaw-Savill Company sent about 4,621 tons from Europe, so as to insure their Direct steam-vessels not being delayed in the colony for want of coal, and several cargoes of coal came from New South Wales, which otherwise would not have been imported. This shows the necessity of provision being made for an amicable settlement of all disputes arising between employers of labour and employés, so that labour and capital may go hand in hand and combine together for the development of the mineral resources of the colony. It is to be regretted that, notwithstanding the large increase of output from the coal-mines last year, there was a decrease of 11,799 tons of bituminous coal, which is the class we have to look to in the future for export. This decrease is due to the mines at Brunner and some of the mines in the Westport district being all held by one company, and also to the strike, which stopped all operations in the Brunner mines for a considerable time. The output from these mines last year was 19,057 tons less than for the year previous. The total output of the different classes of coal last year may be summarised thus: Bituminous coal, 323,712 tons; pitch coal, 124,593 tons; brown coal, 171,725 tons; and lignite, 17,367 tons; the latter class entirely depending on the quantity required for consumption in the locality where it is raised. A comparison with the output for the previous year will be found in Table No. 5 annexed.

During last year an important coalfield was opened at Hikurangi, in the Whangarei district, and 3,743 tons of coal was placed in the market, which proved to be equal, if not superior, to the semi-bituminous coal worked at Kawakawa, at the Bay of Islands. There is a large extent of coal in this new field; but before it can be brought at a reasonable cost to market, a railway or tramway will have to be constructed to connect the mines with a port of shipment. In the Kawakawa Mine, which has been worked for nearly twenty years, the coal is nearly exhausted, there being nothing left but some pillars near the mouth of the adit level, which will be all taken out during the present year. The principal increased output from the different mines has been: From Kaitangata, 16,576 tons; Nightcaps, 9,412 tons; Ralph's Taupiri, 9,108 tons; Kamo, 7,619 tons; Waimangaroa, 3,787 tons; Taupiri