

1919.
NEW ZEALAND.

MUNITIONS AND SUPPLIES DEPARTMENT.

REPORT BY MINISTER IN CHARGE; ALSO, REPORT ON ACTIVITIES OF
COAL-CONTROL DEPARTMENT.

Laid on the Table of the House of Representatives by Leave.

THE last report is dated 30th September, 1918, and owing to the signing of the Armistice in November of that year, and the Department closing down on the 31st March last, this present report is more in the nature of a conclusion than a report of the Department's activities.

The purchases made by the Department during the last six months of its operations amounted to £160,998, made up as follows:—

	£
(a.) Stores	95,498
(b.) Supplies	59,715
(c.) Drugs	5,785
Total	<u>£160,998</u>

and this amount has been distributed throughout the Dominion as under:—

	£
(a.) Auckland	21,517
(b.) Wellington	113,511
(c.) Canterbury	13,562
(d.) Otago	12,408
Total	<u>£160,998</u>

The amount thus expended, added to the aggregate of my last report, brings the total expenditure of the Department up to, in round figures, £4,500,000, or an average of £1,300,000 per annum for three years and a half; and it is satisfactory to note that throughout the many transactions involved in the expenditure of this large sum no case of fraud has arisen, although in the early stages of the Department's existence it was necessary in a few instances to inflict fines where contractors had not carried out deliveries in accordance with specifications. This expenditure of four and a half millions covers, besides many imported lines, the following goods, which have all been produced or manufactured in the Dominion:—

Foodstuffs, &c.—Fresh meat, 10,840,000 lb.; bread, 2,187,000 lb.; sugar, 6,030,000 lb.; flour, 9,020,000 lb.; butter, 4,150,000 lb.; jam, 3,469,000 lb.; cheese, 1,867,600 lb.; oatmeal, 1,255,000 lb.; fresh milk, 764,700 gallons; candles, 252,000 lb.

Forage.—Oats, 170,000 sacks; chaff, 2,975 tons; straw, 2,396 tons; hay, 1,368 tons; bran, 396 tons.

Equipment.—Socks, 364,000 tons; undershirts, 294,200; underpants, 287,000, blankets, 274,000; working-shirts, 249,000; boots, 232,000; trousers, 216,000; jackets, 213,100; puttees, 139,600; hats, 133,700; greatcoats, 120,000; jerseys, 106,000; cholera-belts, 100,000; "housewives," 99,000; shoes, 97,200; puggarees, 88,000; forage-caps, 83,000; pantaloons, 27,500; jerkins, 13,400.

Towards the end of 1918, when the position of military stocks was fully reviewed, it was found that the Defence Department had no surplus clothing or stores to dispose of; however,

consumable commodities to the approximate value of £36,000 were not needed. When the Armistice was signed the Department was committed to incomplete contracts of the value of £145,000. These commitments were cancelled at a total cost by way of compensation amounting to £112, and by taking over from contractors goods useful to the military authorities to the value of £32,000. A surplus stock of consumable goods to the value of £9,588 was disposed of at a net loss on cost of £2,772, goods to the value of £7,854 being disposed of by the Department direct to buyers at a net loss on cost of £2,012, and goods to the value of £1,724 out of £3,766 put up for auction in response to numerous requests being sold, resulting in a loss on cost of £760.

The total cost of administration to the country of the Munitions and Supplies Department has been approximately £18,000, being an average annual cost of £5,000, a very economical expenditure for the services rendered. This expenditure covers cost of Military Supplies Purchase Branch, Priority Permit Branch, Coal Control, Petrol Control, and that branch which dealt with the allocation of inward-shipping space.

That the work of the Department met with the approval of the various business communities throughout the Dominion with which it was brought into contact is expressed by the many letters of appreciation that were received at the time the Department's activities were concluded, and the following resolution, which was passed by the Association of New Zealand Chambers of Commerce, is also indicative of the businesslike methods adopted by the Department throughout its existence:—

“In view of the announcement recently made by the Hon. A. M. Myers, Minister in Charge of Munitions and Supplies, concerning his Department and the retirement of Messrs. Kirkcaldie and Morrison, after their honorary connection with the office, the executive of the Association of New Zealand Chambers of Commerce gathers that the operations of the Department will shortly terminate, and therefore desires to take an opportunity of placing on record its appreciation of the excellent work done by the Minister and his honorary Board (Messrs. A. H. Miles, Alexander Macintosh, and George Wilson), who have so ably assisted him during the last three years. The activities of the Department in connection with priority permits, coal, petrol, and shipping control, and purchases of supplies have brought the Board into contact with the commercial community represented by this association, and it is hoped that this resolution, at the termination of their labours, will be a source of gratification to the Minister and to the Board associated with him. The executive of the Associated Chambers also recognizes that the departmental work in the hands of Mr. A. M. Adams, Chief Executive Officer, has been organized and conducted by commendable methods under which prompt and efficient attention has been consistently rendered with advantage to the whole commercial community.”

In conclusion, it is desired to take this last opportunity of placing on record the high appreciation of the excellent work performed by those who were associated with the Minister in Charge of the Department, and especially those who gave their services gratuitously through patriotic motives and whose names are appended below:—

Munitions and Supplies Board: A. H. Miles, Esq., O.B.E. (Chairman), Alexander Macintosh, Esq., and George Wilson, Esq.
 Sidney Kirkcaldie, Esq., and J. L. Morrison, Esq. (soft-goods experts).
 James Marchbanks, Esq. (engineer).
 W. H. Morton, Esq. (engineer).
 M. P. Cameron, Esq. (hardware-buyer).
 A. W. Blair, Esq. (solicitor).

PRIORITY PERMITS.

The tightening of export restrictions by the authorities in the United Kingdom, United States of America, Canada, India, and Australia made it exceedingly difficult to obtain practically any commodities without first having the order certified to by the Minister in Charge and the degree of priority distinguished.

On the signing of the Armistice New Zealand was by no means favourably situated for many lines, such as hosiery-needles, pig iron, wire rope, &c. However, with the cessation of hostilities, restrictions on export greatly relaxed, and many lines were transferred from the prohibited lists to free lists.

The position at the moment is that there is now no further need for the certification of orders, and manufacturers are at liberty to proceed without priority permits. In advising the position the High Commissioner in his cablegram stated as follows:—

“I am desired to convey to you a very cordial expression of Mr. Churchill's thanks for the most valuable assistance rendered by the Department and its Advisers. May I be permitted to add that the success which has resulted from our efforts was largely due to the highly efficient manner in which matters were conducted from your end. The volume of work has been enormous, and many difficult situations have frequently arisen, thereby greatly retarding my activities. Please accept my assurance that no effort has been spared to safeguard New Zealand's interests.”

It is interesting to note that during the time the permit procedure was in force 9,118 applications were dealt with, covering orders to the value of £4,553,049. In dealing with this large volume of work it is desired to acknowledge the great assistance that has been rendered by the High Commissioner's Office, together with that of my honorary advisers, Messrs. James Marchbanks (engineer) and W. H. Morton (engineer).

CONTROL OF COAL-DISTRIBUTION.

During the twelve months that have elapsed since the last report, incorporated in that of the Munitions and Supplies Department, the work of controlling the distribution of coal in the best national interests has continued to be one demanding the closest possible attention in view of the steadily declining production in the Dominion, especially of hard coals, and decreased importations, which have fallen off by nearly 50 per cent. when compared with pre-war figures.

In order that the work and functions carried out by the Department may be more readily understood it is desirable at this stage to review the circumstances leading up to the establishment of the system of control designed to meet the exceptional conditions the Dominion was placed in respecting coal-supplies.

Early in 1917 it became clear that the position of coal stocks held in the Dominion, together with decreased outputs and importations, rendered some efficient method of coal-control necessary to guard against any stoppage or curtailment of the industries and public services of the Dominion. Consequently, in February, 1917, the Coal Trade Regulations were gazetted. These regulations were divided into two parts. Part I, which came into force immediately, authorized the Minister in Charge to collect any information he required necessary to enable him to exercise the desired control. Part 2, however, as amended later, was really the operative part of the regulations, and came into operation on the 29th August, 1917. It authorized the Governor by warrant gazetted to constitute any part of the Dominion as a coal-trade district, and at the same time to appoint for each such district a Coal Trade Committee, the functions of which were to inquire, at the Minister's request, into all matters relative to coal, including the granting of permits under the regulations. Auckland, Wellington, and Christchurch were thereupon gazetted as coal-trade districts, and committees were appointed accordingly. No necessity existed at this time to extend the system of control to the Otago, Southland, and Westland Districts, but the former was duly brought into line on the 10th May, 1918.

In addition to the Coal Trade Committees already referred to, the members of the Supplies Board of Advice, Messrs. A. H. Miles, Alexander Macintosh, and George Wilson, were appointed on the 5th February, 1917, and continued their services, which were gratuitous, until the Armistice was signed with Germany. It may be mentioned here that the members of the various Coal Trade Committees also gave their services gratuitously, the Government only bearing the expense of administration.

Towards the end of 1917, as the outcome of the big coal strike in Australia, the Dominion was compelled to rely solely on the local mines for supplies, and, consequent upon reduced outputs brought about by the "go-slow" policy in many of the local mines, the position became so acute as to render conservation measures absolutely imperative. The following table discloses the position which had arisen:—

				Outputs. Tons.	Imports. Tons.	Total. Tons.
1916	...	...	...	2,257,135	293,956	2,551,091
1917	...	...	...	2,068,419	291,597	2,360,016
		Decrease	...	188,716	2,359	191,075

LIGHTING REGULATIONS.

Lighting Regulations were gazetted on the 6th June, 1917, which gave local bodies or companies concerned with the supply of electric or gas lighting power to impose such restrictions as they thought fit upon the use of coal-gas or electricity supplied by such local bodies or companies, the primary object being to economize in the direction of curtailing advertising, veranda, external lighting, window, and street lighting. In this connection the local authorities were duly communicated with with a view to taking such action as might commend itself to them. As from August, 1918, Government offices were closed at 4.30 p.m. instead of 5 p.m. in order to economize in lighting, such offices commencing business at 8.30 a.m. in lieu of 9 a.m.

On the 5th July regulations were gazetted declaring that the manufacture and supply of coal-gas and electricity for light and power were essential industries in the public welfare.

SHIPPING REGULATIONS.

In addition, regulations were gazetted on the 11th June, 1917, entitled the "Shipping Regulations," which made it unlawful for any ship registered in New Zealand to leave the Dominion for any port beyond the seas, or to leave a proclaimed port in New Zealand, except with a license issued by the Minister of Marine. At this time, however, all overseas ships arriving in the Dominion were under Imperial instructions, and it was not possible to make regulations governing their movements in New Zealand waters.

STRICTER MEASURES.

Early in 1918 the whole position was again carefully reviewed, and the stocks held, especially of hard coals, warranted the adoption of stricter measures in order to secure closer control of distribution. It was therefore decided to take steps to influence the distribution of coal to localities where most needed. This action was rendered necessary so that essential industries and public services could, if possible, be provided with sufficient suitable coal to avoid any dislocation of business. The principal coal companies were therefore requested to telegraph not later than Wednesday every week the estimated output for the following week, together with the proposed allocation, ports of discharge, and consignees, the Minister to then wire his decision, when arrangements for space could be made with the shipping companies concerned, such allocation to be duly notified. This scheme has been in operation ever since, and is giving satisfaction.

COAL FROM OVERSEAS.

The continued decrease in the outputs of New Zealand mines made it quite obvious that if primary industries and public services were to be maintained our supplies of coal would have to be considerably augmented by importations, and accordingly urgent representations were made by cable to the High Commissioner for New Zealand and the Secretary of State for the Colonies stressing the urgent need for arranging for overseas steamers which, owing to the difficulty in securing cargo in the United Kingdom, were coming out practically in ballast, to lift Newcastle coal for New Zealand; but, owing to the food shortage at Home and the urgent necessity for getting produce away to relieve the position, as well as for carrying troops at the earliest possible moment, this could not be arranged. It may be pointed out here that the New Zealand output of hard coal has never been sufficient for its requirements. Relief has always been necessary from Newcastle to the extent of up to nearly half a million tons annually in normal times. On the outbreak of hostilities the effect of war conditions immediately made itself felt, and resulted in considerably reduced importations, coupled with which the output of hard coal from our own mines was steadily going down; also, the consumption of hard coal during the war had been increased owing to war activities extending certain industrial operations. This rendered some method necessary to divert hard coal to industries, including railways, which depend largely on this class of coal. Measures were therefore taken in this direction by limiting the use of hard coal in areas where lignite coal was plentiful, and in Christchurch no hard coal can be delivered for household consumption unless an equivalent quantity of lignite (when available) is delivered at the same time. In Dunedin five-sixths of all coal delivered for domestic use must be other than "hard," a small proportion of this coal being necessary to permit of the lower-grade lignites being used to advantage owing to the relatively low heating-values of many of the lignite coals mined in Otago and Canterbury.

BUNKERING OVERSEAS STEAMERS.

It was the custom up to about April or May, 1918, to give bunker supplies to overseas steamers leaving Australia for the United Kingdom via Wellington and Panama Canal equivalent to the quantity consumed on the voyage from Australia to New Zealand. This, of course, was adopted to make all possible space available for foodstuffs and troops going to the United Kingdom. However, our supplies were in such a precarious condition that the attention of the Australian authorities was forcibly drawn to the fact that unless our supplies were immediately augmented by shipments from Australia we could not meet bunkering requirements of through steamers. We were in possession of reliable information at this time that Australia was holding plenty of coal for sale, providing we could find ships to lift it. The Union Company pointed out at this juncture that they could not carry more coal than about 16,000 tons per month from Newcastle without interfering with the conveyance to the Dominion of such articles as case oils, paper, cornsacks, woolpacks, vegetable oils, salt, fertilizers, wattle-bark, and other essential commodities, stocks of which were universally held in small quantities. In addition, arrangements had to be made to carry from Australia two and three-quarter million bushels of wheat. In view of these facts, the Australian Government were requested to let us have a few special cargoes of hard coal by one of the Australian colliers. This arrangement suited our requirements much better than having coal sent over to meet bunkering requirements of Australian oversea vessels.

REPEATED REQUESTS.

As the outcome of these representations a collier was despatched with 4,000 tons of coal. Permission was also given by the Shipping Controller for the "Perth" and "Melbourne" to continue in the New Zealand—Newcastle trade, and take back cargoes of timber for Australian ports. The Shipping Controller was unable to divert other steamers, as several of the larger ones had been requisitioned to take foodstuffs overseas. Repeated requests were made for further relief, but it was stated that the coal requirements at the various Commonwealth ports would not permit of any other boat being spared. As a matter of fact the coal situation in many of the Australian States has been for some time past just as acute as it is in the Dominion, and regulations on the same lines as those in operation here have recently been gazetted, whereby all coal, including amount to be exported, can be regulated. The carriage of hardwood timber from Australia, which was usually carried on colliers, has had to be practically discontinued altogether in order to load colliers to their full coal-carrying capacity.

DIMINUTION OF SUPPLIES.

Coming to 1919, it is necessary to review the outputs and importations from 1914 in order to illustrate how supplies have gradually diminished during the war period.

				Outputs. Tons.	Importations. Tons.	Totals. Tons.
1914	...	...	...	2,275,593	518,070	2,793,663
1915	...	...	...	2,208,624	353,471	2,562,095
1916	...	...	...	2,257,135	293,956	2,551,091
1917	...	...	...	2,068,419	291,597	2,360,016
1918	...	...	...	2,034,250	255,332	2,289,582

From this it will be seen that to the end of 1918 there were, roughly, half a million tons less than in 1914.

The greatest falling-off during the war period, however, has taken place in connection with the output of bituminous coal, the figures being as follows:—

	Tons.
1914	1,494,315
1915	1,404,400
1916	1,422,047
1917	1,247,989
1918	1,122,308

Of course, the big falling-off of outputs and importations in 1918 was due largely to the influenza epidemic in New Zealand towards the end of the year, which had the effect of practically stopping all shipping, both local and intercolonial. In addition to this, many of our important mines were forced to close down during part of the epidemic, and a number of miners fell victims to the scourge. No sooner was the epidemic over in the Dominion than it became serious in the Commonwealth, and shipping was again disorganized. On top of this came the recent big shipping strike, which reduced intercolonial shipping to Australia to four vessels carrying New Zealand crews. As influenza is still prevalent in Australia, ships are still subject to quarantine delays.

It was clear at the beginning of the current year that if the Dominion's industries and services were to be carried on, increased effort had to be made by shipping companies to augment our supplies by making arrangements for all overseas ships coming to the Dominion to utilize all available space for the carriage of coal. Owing to the acute food shortage in the United Kingdom and the congested condition of our coal stores in the Dominion, very little relief was forthcoming, as it was imperative to turn ships round with the least possible delay. It was found, however, when the shipping dispute in Australia arose that the number of steamers usually engaged on the Newcastle run was reduced, as previously stated, to four steamers manned by New Zealand crews, and accordingly further representations were made to the New Zealand representatives of the overseas shipping companies, as well as to the Imperial Shipping Controller, that unless substantial relief was forthcoming from America and Australia by overseas vessels the Government would have no alternative but to reduce bunkering supplies to only sufficient quantities to carry them to Newcastle instead of via Panama. The outcome of this pressure resulted in the London Tonnage Committee permitting overseas ships to pick up cargoes of coal *en route* to New Zealand at America and Newcastle, the freight rate from the latter being ultimately fixed at £1 17s. 6d. per ton, having been reduced from £2 5s., which was the rate originally quoted. The freight rate charged from America is £2 per ton. The following list illustrates the extent to which assistance has been rendered by the carriage of coal by overseas vessels from America and Australia:—

RETURN SHOWING COAL IMPORTED IN OVERSEAS TONNAGE SINCE MARCH LAST AS A RESULT OF SPECIAL REPRESENTATIONS.

Name of Vessel.	Company.	Quantity.	Allocated to.	Origin.
		Tons.		
Callone	N.Z. Shipping Co. ..	3,110	Railways	Newcastle.
Raranga	Shaw-Savill	4,989	Railways and trade ..	Newport News.
Middleham Castle ..	N.Z. Shipping Co. ..	6,063	Bunkering	"
War Music	"	4,091	"	Newcastle.
Pakeha	Shaw-Savill	4,809	Trades and essential industries	Newport News.
Paparoa	N.Z. Shipping Co. ..	3,483	Railways, industries, and bunkers	"
Rimutaka	"	4,083	Bunkers	"
Orissa	"	7,400	Railways and gas ..	Newcastle.
Port Pirie	C. and D. Line ..	350	Trade	"
Port Napier	"	4,000	Railways	"
Armagh	N.Z. Shipping Co. ..	2,500	Railways and industries	"
Shropshire	N.Z. and African ..	1,750	Railways	"
Prinzessin	Shaw-Savill	3,000	"	"
Rona	Scales Limited ..	2,500	Gasworks	Newcastle (two trips).
Port Victor	C. and D. Line ..	600	Railways	Newcastle.
Otira	Shaw-Savill	7,250	"	"
E. R. Stirling	"	4,000	"	"
Mamari	Shaw-Savill	4,268	"	Newport News.
Essex	N.Z. and African ..	3,000	"	Newcastle.
Durham	"	3,000	"	"
Port Victor	C. and D. Line ..	3,000	"	"
Mamari	Shaw-Savill	4,685	"	Newport News.
Masula	N.Z. and African ..	4,966	"	"
Waiwera	Shaw-Savill	900	"	Newcastle.
Kumara	"	4,506	"	West Virginian.
Westmeath	N.Z. and African ..	4,286	"	"
Zealandic	Shaw-Savill	2,000	"	Newcastle.

In addition to the above a large number of overseas vessels coming via Panama and Newcastle lifted enough bunker coal at the last coaling-port to work New Zealand ports and to assist on the outward voyage, and in some cases brought sufficient not only for their own requirements, but also for other steamers.

At the beginning of this year there was a possibility of our securing supplies from South Africa, but owing to a change in the routing arrangements for oversea vessels the matter meanwhile lapsed. In this connection it should be stated that the cost of this coal, if obtainable, would be about £4 5s. per ton c.i.f. Wellington, and previous experience of its quality was far from satisfactory.

Investigations have also been made with a view to ascertaining whether there were any prospects of securing Japanese and Indian coal, but this was found impracticable, owing to the quality being unsuitable for our requirements and the price for Japanese—£7 a ton c.i.f.—being prohibitive.

Offers have also been received for shipment of Kaiping (Chinese) coal at £4 15s. c.i.f., but in view of the quality and relatively high price it was not deemed advisable to accept.

EXPORT OF COAL.

Since the inauguration of coal-control permits to export coal from the Dominion have been refused. In the case of Admiralty orders for the requirements of the Australian Squadron, a full cargo of Newcastle has been arranged for in exchange for Westport on every occasion.

OUTPUTS NEW ZEALAND PRINCIPAL MINES, AND IMPORTATIONS, FOR SEVEN MONTHS ENDED 31ST JULY, 1918 AND 1919 RESPECTIVELY.

Month.	1918.			1919.		
	Outputs.	Importations.	Total.	Outputs.	Importations.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
January	144,349	15,925	160,274	133,510	21,364	154,874
February	153,804	18,560	172,364	139,190	24,384	163,574
March	143,416	18,793	162,209	146,444	40,699	187,143
April	155,965	20,733	176,698	122,051	40,142	162,193
May	183,598	36,497	220,095	152,611	33,131	185,742
June	170,916	22,093	193,009	133,035	22,522	155,557
July	180,118	24,727	204,845	138,085	31,715	169,800
Grand totals ..	1,132,166	157,328	1,289,494	964,926	213,957	1,178,883

From the above it will be seen that the outputs of the principal New Zealand mines have fallen from 1,132,166 tons for the seven months ended 31st July, 1918, to 964,926 tons for the same period this year, a decrease of 167,240. Importations, on the other hand, have increased by 56,629 tons, making a net decrease of 110,611 tons. The most disturbing feature, however, is the continued falling-off of the output of the principal West Coast mines, which for the seven months of the current year, as compared with the corresponding period of last year, show a decrease of 111,797 tons. This aspect has had the effect of seriously adding to the difficulty of making adequate provision for the carrying-on of those industries and public services for which this class of coal is essential; and, after due allowance has been made for the coal imported, which, as already stated, showed an increase of 56,629 for seven months of 1919, a net deficit of 55,168 tons in hard coal has resulted. This will clearly indicate the difficulties that have been experienced in endeavouring to allocate the available supplies so as to prevent any curtailment or stoppage in the carrying-on of those industries and public utilities of vital importance to the Dominion. It should be mentioned that, apart from the recent cut in the railway services, no other public service or industry has had to curtail its operations in consequence of the lack of coal, which in view of the decreased tonnage available for distribution must be regarded as highly satisfactory.

Regarding the drastic curtailment of railway services, it should be placed on record that a curtailment was contemplated in May, 1918, when stocks were down to 17,000 tons of hard coal—a little over three weeks' supply. As the outcome of a conference held with the Minister of Railways, Minister in Charge Coal Control, and departmental officers, it was decided to defer the cut, as there was every indication that sufficient coal was in sight from Newcastle, and that the minimum weekly quantity—namely, 5,000 tons, required to maintain full services—would be forthcoming. This undertaking was duly given effect to, and stocks were gradually built up until, at the end of October (just before the epidemic) the Department was holding 35,000 tons—equal to seven weeks' supply for full services. As has already been explained, however, the epidemic had disastrous results as far as output and importations were concerned, consequently less coal could be allocated for railway purposes. Stocks therefore decreased until at the end of December they had fallen to 20,000 tons. Owing to additional services being provided over the Christmas and New Year holidays, stocks were further depleted to 11,000 tons on the 25th January, 1919. At the same time it must be taken into consideration that the mines were closed down for about ten days, owing to the holidays, which resulted in decreased outputs and consequently increased the difficulties of allocation. The shortage of miners also became more acute at this stage,

owing to a large number of men who had taken up mining temporarily during the war period taking up occupations in other directions. However, despite these adverse conditions, railway stocks were again built up until, at the end of March, they stood at 28,000 tons; but following the Easter holidays, when additional trains were again provided to cope with the services, stocks were reduced until at the end of April they were down to 21,000 tons, since when they have been steadily going down, reaching the 10,000 mark when the present cut was put into operation. During May and June several stoppages took place in the West Coast lignite and Waikato mines, which seriously restricted not only supplies available for railway requirements, but for other essential industries.

There appears to be an impression abroad that the whole output of coal from the West Coast mines could be drawn on for railway purposes. This idea is quite erroneous, as the railways require screened coal for their main services.

The following figures show the quantities of coal, including lignites, delivered to the railways for the six years ended 31st March, 1919 :—

	Tons.
1913-14	293,157
1914-15	306,656
1915-16	324,343
1916-17	330,660
1917-18	271,110
1918-19	307,369

The deliveries for the seven months of the current year are as under :—

	Tons.
January	10,959
February	31,105
March	36,762
April	15,026
May	19,198
June	13,950
July	19,665
	146,665

Average per month, 20,952 tons.

CENSUS OF COAL STOCKS HELD AS RETURNED QUARTERLY BY GOVERNMENT STATISTICIAN SINCE 30TH APRIL, 1917.

	Tons.
As at 30th April, 1917	183,286
As at 31st July, 1917	218,907
As at 31st October, 1917	191,249
As at 31st January, 1918	178,192
As at 30th April, 1918	151,866
As at 31st July, 1918	178,301
As at 31st October, 1918	186,043
As at 31st January, 1919	111,319
As at 30th April, 1919	121,049

The serious position, together with the unfavourable outlook of coal-supplies at the beginning of the present winter, demonstrated the necessity for closer control over the distribution of coal from the time shipped until reaching the consumer. It was therefore arranged to obtain statistical information as to the monthly outputs of all Dominion mines, and detailed information from the various Coal Trade Committees showing the actual direction in which the coal is distributed. In this connection the following table shows the movement of coal shipped from the West Coast for the month of July to the various primary industries and services:—

Summary showing Approximate Allocation of Coal actually shipped from Greymouth and Westport for the Month of July, 1919.

	Tons.
Railways	6,987
Gas	12,638
Freezing	5,280
Light and power	2,901
Bunkering	17,744
General industries	11,110
Domestic	7,207
Total tons	63,867

Summary showing Class of Coal shipped from West Coast Mines for July, 1919.

	Tons.
Screened coal	9,505
Unscreened	39,706
Steam and small	14,656
Total tons shipped	63,867

*Summary showing Importations for Month of July as per Return furnished by Customs Department
(Approximate Allocation compiled in this Office).*

	Tons.
Railways	18,323
Gas	6,190
Bunkers	1,600
Sugar-works	1,101
Miscellaneous	4,501
Total tons	31,715

HOUSEHOLD SUPPLIES.

The position in regard to coal for household requirements in Wellington this winter was of so uncertain a nature that it was found necessary to amend the Coal Trade Regulations, making it necessary for retailers to obtain a permit from the local committee before any quantity of coal could be delivered. The system is extremely simple in operation. Dealers forward a duplicate of orders taken daily to the Coal Trade Committee, who by a card system can ascertain whether any person has already placed an order with another dealer or has been successful in securing supplies in excess of the quantity permissible. When the duplicate orders have been checked they are dealt with by the committee, and permits for delivery duly forwarded to the dealers in cases where everything is in order. This system will be extended to other centres if circumstances warrant it.

As illustrating the volume of work entailed in this connection it may be mentioned that during the month of July 26,886 applications were received for permits, representing orders amounting to 3,296 tons, the average order per customer being about 2·5 cwt.

In the allocation of supplies every endeavour has been made by the various Coal Trade Committees to make available as much as possible for domestic requirements. Unfortunately, however, there have been times, owing to the urgent demand for coal for railways, bunkering, freezing, and gasworks, &c., when the demand for domestic requirements far exceeded supplies available.

Special attention, however, has been given to ensure regular supplies to gasworks, as it is generally recognized this is the best means of conserving coal-supplies, as it enables householders to take full advantage of gas for heating and cooking, thereby enabling coal to be released for other essential purposes.

FIREWOOD.

In order to further conserve the use of coal for household purposes my Department has established a firewood-depot on the reclaimed land, Davis Street Extension. The depot is connected by a railway-siding, thus enabling supplies to be railed direct, resulting in a considerable saving in carting and handling charges. The depot is also connected by road, and the arrangements in connection with the yard have been designed with a view to minimizing handling, in order to give the public the full benefit of first-class wood at the lowest possible cost. Two saws driven by an 8-horse-power engine are kept fully occupied, and the demand for firewood is daily increasing.

In order to provide for a regular supply of suitable wood, cutting-rights have been secured over a large area of Government land situated in the Akatarawa district, and the Railway Department are now engaged in providing siding access thereto. When completed the elimination of haulage—which is one of the main factors in the high price of firewood—will, it is hoped, result in the present rates being substantially reduced. The rates at present charged are £3 5s. per cord of 4 ft. lengths of rata and £2 15s. for best-quality mixed wood. Bagged wood is sold at the following rates ex yard: Rata, 2s. 9d.; mixed, 2s. 3d.

Shortly after operations were commenced it was found that consumers were experiencing considerable difficulty in arranging for cartage and delivery to their homes, and arrangements have now been made with carriers to deliver at fixed rates per bag in the various city and suburban areas. Delivery rates vary from 5d. per bag upwards, according to locality.

Before leaving this subject it is desired to take the opportunity of placing on record appreciation of the valuable assistance rendered by the Railway Department in making available a suitable site at a nominal rental, and for the expeditious manner in which the siding was laid down and the necessary building, &c., erected. The installation of the engine, saw-benches, &c., was also carried out by the Railway Department in a most efficient manner, and the Department's recognition that prompt measures were necessary to cope with the situation enabled the depot to be established with the least possible delay.

The whole of the preliminary arrangements, especially regarding the purchase of suitable firewood, were carried out by Mr. W. T. Strand, who has given his services gratuitously, and it is due largely to his efforts that the supplies of firewood of first-class quality have been obtained, and are now made available for sale to the public of Wellington.

It is trusted, now that adequate supplies of first-class wood are available at reasonable rates, householders will take full advantage of the opportunity offered, and thus assist in allowing a larger allocation of hard coal to be made in the directions where it is more urgently required.

SHIPPING.

As already explained, the exigencies of the war have been such that shipping tonnage, local, intercolonial, and international, has been reduced to an absolute minimum, and as far as the latter is concerned, owing to the urgent nature of the services on which they were engaged, vessels

could not possibly be detained to pick up supplies of coal for the Dominion's industries, but on the other hand had to draw on our meagre supplies of coal to carry them back on the routes laid down by the Admiralty. In this connection the Government has repeatedly endeavoured to charter vessels for coal-carrying, but on account of this extreme shortage it has not been practicable. However, now that tonnage is becoming more plentiful it has been possible to charter one vessel for one trip from Australia, and a cable has been recently despatched to the High Commissioner asking whether a suitable tramp collier or standard steamer could be released on a time charter to the New Zealand Government.

Repeated conferences have been held with the general and traffic managers of the Union Steamship Company, with the view of ascertaining whether additional bottoms could be procured for coal-carriage, but the depletion of their fleet for war purposes rendered this practically impossible. In fact, as is commonly known, important general cargo, both from Australia and coastwise, has been locked out to release all possible tonnage for coal.

Numerous cablegrams have been despatched to the Secretary of State for the Colonies, the High Commissioner for New Zealand, the Australian Government, and the Australian Shipping Controller, stressing the dire necessity and emphasizing the facts that if relief was not forthcoming drastic curtailment of the Dominion's activities would result, and that a restriction on the bunkering of overseas vessels carrying produce to relieve the acute food shortage in the United Kingdom would have to be brought into operation. As has already been disclosed, these repeated representations have had the effect of our being in the position to maintain our essential industries, and this is exemplified by the fact that up to the present time all industries have been kept going.

From the foregoing it will be seen that no stone has been left unturned in the endeavour to influence tonnage to lift cargoes of coal by steamers *en route* to New Zealand, and it must be conceded, taking the exceptional condition prevailing during the war into consideration, that the outcome of the repeated representations made have resulted in our supplies being very considerably augmented from both America and Australia. In this connection thanks are due to the local Overseas Shipowners' Committee for its valuable assistance and co-operation in endeavouring to assist in relieving the critical situation which had arisen in regard to coal-supplies.

AMENDMENTS TO COAL TRADE REGULATIONS.

During the year under review it has been found necessary to amend the Coal Trade Regulations to meet the changed conditions arising from time to time. Owing to continued shortage of supplies regulations were gazetted reducing the quantity of coal that could be delivered without a permit from 1 ton to $\frac{1}{2}$ ton in any one delivery, and from 2 tons to 1 ton in any period of twenty-eight days; in Wellington, however, as already indicated herein, no coal can be delivered in any quantity for any purpose without a permit being first obtained from the local Coal Trade Committee.

To prevent hoarding power was taken to utilize the services of Inspectors of Factories on a warrant signed by a Chairman or any member of a Coal Trade Committee giving authority to investigate and report when so directed.

In Christchurch and Dunedin regulations have been gazetted making it compulsory for lignite coal to be delivered with hard coal in the proportion of equal quantities in Christchurch and six parts lignite to one bituminous in Dunedin.

By the adoption of these measures the use of hard coal has been considerably restricted for domestic use, resulting in it being released for essential purposes.

The following gentlemen have been identified in honorary capacities as Coal Trade Committees in the various centres:—

Auckland Coal Trade Committee: Hon. E. W. Alison (Chairman), E. A. Craig, J. Dempsey.

Wellington Coal Trade Committee: F. J. Gunn (Chairman), A. S. Collins, W. W. Gibson, W. J. Gaudin, A. Hamilton.

Christchurch Coal Trade Committee: A. McKellar (Chairman), D. Redpath, P. M. C. Cleary, J. A. Boswell. (Mr. J. A. Redpath acted as Chairman until a few months ago, when he left on an extended business visit to the United Kingdom.)

Dunedin Coal Trade Committee: Robert Lee (Chairman), A. J. Allen, A. P. Brenner, A. B. Johnston (Acting-Chairman).

These Committees have also arranged for honorary representatives in the larger towns coming under their control, in order to keep in close touch with all matters appertaining to the equitable distribution of coal-supplies.

I have to express on behalf of the Government extreme satisfaction and appreciation of the valuable work so loyally carried out in the national interests by these gentlemen.

In conclusion I have to acknowledge the excellent services rendered by the staff of the Coal Control Department, and the loyal and efficient manner in which they have carried out their duties in the face of the most difficult and trying conditions.

W. F. MASSEY,
Minister in Charge.

Approximate Cost of Paper.—Preparation, not given; printing (1,150 copies), £12 10s.

By Authority: MARCUS F. MARKS, Government Printer, Wellington.—1919.

Price 6d.

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