

In dealing with the question of household supplies during the period control has been in operation, every effort has been made to allocate as much as possible for this purpose, but with the decline in production on the West Coast it was unavoidable that supplies for domestic use had to be restricted from time to time, as had such action not been taken a curtailment in the activities of many industries and public services would have resulted. It is satisfactory in this connection to be able to state that supplies of suitable coal are plentiful this winter, and at the time of the preparation of this report all centres are having their reasonable requirements met, and have accumulated reserve stocks as well. It may be mentioned that Wellington's position in regard to coal-supplies is somewhat different from the other main centres, inasmuch as practically the whole of the domestic coal required is sea-borne. Consequently, supply is subject to more frequent interruptions owing to dislocation of shipping, and other causes affecting the movements of steamers, than is the case where supplies are railed direct from the collieries. Then, again, Wellington's supply is confined largely to bituminous coal, which, as indicated earlier in this report, shows a much greater falling-off in recent years than any other class mined in New Zealand. This coal, as has been frequently pointed out, is essential for all our main services—freezing, gasworks, &c.—and their requirements in the public interest had, of course, to take precedence. It will be readily seen, therefore, that any substantial increase in the allocations for household purposes, having regard to the shortage existing at different periods, could only have been effected by withdrawing equivalent quantities of coal from industries and services; and, as they are essential to the welfare and prosperity of the Dominion, any interference with their activities would certainly have resulted in widespread disorganization of trade, unemployment, and financial loss to all concerned.

Having regard to the improved condition of supplies, the lifting of the restrictions on the export of Newcastle coal to New Zealand, and increased production in the local mines, Government decided in the early part of August that the time had arrived when the Coal-trade Regulations could with safety be lifted—ample supplies of coal for all purposes being assured. Accordingly, by *Gazette* notice published on the 25th August, the several coal-trade districts were abolished and the Committees dissolved as from the 31st of that month. The general regulations will be revoked later by Order in Council.

The above action brings to a close the activities of one of the most important Departments created by war conditions. It may be mentioned that Part I of the Coal-trade Regulations was gazetted on the 5th February, 1917, but Part II, which is the operative portion, was not brought into operation until the 29th August of the same year. The Committees at Wellington, Christchurch, and Auckland were gazetted in the October following. The Dunedin Committee, however, was not set up until the 10th May, 1918, as conditions up to that date were much more favourable in the Otago District regarding supplies than in the other main centres.

In connection with the improved position of supplies which has influenced Government in its decision, several causes have contributed, the very large increase in importations during the past two years being the most important. Other factors have been, a much lessened demand for coal for bunkering purposes and for carrying on our main industries and services, the prevailing slackness of business being no doubt the explanation of the decreased demand. The remarkably fine weather experienced this winter has also eased the demand for coal for domestic use, and the present monetary tension is causing many important public services and industries to exercise extreme caution in placing orders, which are being limited to actual bare requirements.

While it can be claimed that the position is now reasonably safe, and the immediate outlook more hopeful than has been the case for some years, the special features mentioned as having contributed to this improvement must be given due weight. It must be borne in mind that no improvement so far has been recorded in the outputs of the principal West Coast mines, and the coal position in the Dominion will not be entirely free from anxiety until such time as the production of the best hard coal approximates more closely to the demands of our principal industries and services.

During the four years the regulations have been in force the Dominion has had many close calls in connection with its coal-supplies; but, owing to the careful supervision exercised over distribution by the Coal-control Office and the committees in charge of the respective coal-trade districts, supplies were allocated in such a manner that essential industries and public services were enabled to carry on without any curtailment of their activities. The work arising out of the control and distribution of coal entailed a large amount of work on the part of the Department and Coal-trade Committees, and I wish on the termination of control to tender congratulations to all concerned on the satisfactory results achieved.

With regard to the current year, a review of the first seven months in comparison with the same period last year discloses—as shown in the following table—an increase in the outputs of the Dominion mines of 4,881 tons, and in importations of 254,916 tons, making a total increase of 259,797 tons over the corresponding seven months of 1920.

When the increase in the outputs of the Dominion mines is analysed it is found, however, that a decrease of 16,433 tons has taken place in the production of bituminous and semi-bituminous coals. Brown and lignite mines in the South Island also show a decrease (12,897 tons); but, on the other hand, the production of brown coals in the North Island has increased by 34,211 tons for the period under review; the net result being an increase, as already stated, of 4,881 tons. The loss of output in the principal mines on the West Coast is somewhat surprising in view of the fact that additional miners have been employed in several of the collieries for some time past, and a substantial improvement in output was consequently expected. Recently some slight improvement has taken place in one or two of the principal mines on the West Coast, and it is hoped that the figures for the balance of the current year (when available) will disclose better results than have been secured for the first seven months.