

PROTECTION OF MINING PRIVILEGES.

One of the circumstances which it is generally agreed has seriously retarded gold-mining in New Zealand has been the holding of mining privileges for speculative purposes without making any real attempt to comply with the requirements of the Mining Act. I have no sympathy whatever with such a practice, and I want to make it abundantly clear that I will consent to the protection of mining privileges only under the most exceptional circumstances. The indefinite locking-up of our national resources will not be tolerated.

PETROLEUM OIL.

No boring for petroleum oil was carried out in 1935.

During the year a production of 185,784 Imperial gallons of crude petroleum oil was obtained from the Moturoa Oilfields Ltd.'s Nos. 1, 2, and 4 wells, while at Kotuku a total of 312 gallons was collected from seepages.

The Dominion's total production of crude petroleum oil to 31st December, 1935, is estimated at 2,409,258 gallons.

The legislation dealing with the prospecting for and winning of petroleum is now under review, and I hope before long to bring down a new Bill which I feel sure will be welcome to those interested in the industry.

COAL-MINING.

There were 202 coal-mines operating in the Dominion in 1935. Ninety-six of these mines are situated on freehold property, and produced 888,089 tons, or 42 per cent., of the total output. The remaining 106 mines are situated on Crown lands, and produced 1,227,095 tons, or 58 per cent., of the total output of 2,115,184 tons.

The annual production of coal since 1930 has been as follows:—

	Tons.		Tons.
1930	2,542,092	1933	1,821,258
1931	2,157,756	1934	2,060,315
1932	1,842,022	1935	2,115,184

The increase in output for 1935 is 2.6 per cent. above the figure for 1934, and since 1933 a recovery of over 16 per cent. has taken place.

The quantity of coal imported into New Zealand in 1935 decreased to 97,398 tons. I am very pleased to draw attention to the fact that this is the smallest quantity of coal imported in any one year since 1871, a period of sixty-five years.

Since taking office I have done my utmost to induce gas companies to increase their consumption of local coal, and I hope that the current year's statistics will disclose that my appeals have not been in vain.

My policy in regard to the granting of further coal leases on Crown lands will be identical with the policy followed during the past few years. This policy has the support of the Coal-mine Owners' Association and the United Mine Workers of New Zealand, and has been stated as follows:—

No more coal leases will be granted by the Crown except in cases where existing mines become worked out and additional areas are in my opinion necessary, or in cases where the locality is geographically isolated and the coal produced is for local consumption only and will not compete appreciably with the product from other existing mines.

I want to point out, however, that this policy is not in itself sufficient to achieve the object desired—namely, the prevention of the establishment of additional mines. There are many areas of coal-bearing land which have been completely alienated from the Crown, consequently the coal-mining rights over these areas are owned by the freeholder.

The Department has no power to regulate the opening of new mines on such properties, and consequently the past policy has not been fully effective. I am giving close attention to this phase of the problem.