

The Dominion's total production of crude petroleum oil to 31st December, 1936, is estimated at 2,631,337 gallons.

In the last Mines Statement I mentioned that legislation dealing with prospecting for and winning of petroleum was under review, and I expressed a hope that before long I would be able to bring down a new Bill, which I felt sure would be welcomed by all persons genuinely interested in the development of the industry.

I am pleased now to announce that a comprehensive Bill has been prepared and will be submitted to Parliament in a very short time.

I am also very gratified to announce that if the Bill is passed there is little doubt but that major oil interests will make an immediate and vigorous effort to find petroleum in payable quantities. The products of petroleum have such far-reaching significance in our modern civilization that there is scarcely any development which would mean more to the Dominion than the successful search for oil.

COAL-MINING.

There were 195 coal-mines operating in the Dominion in 1936. Ninety-four of these mines are situated on freehold property, and produced 964,149 tons, or 45 per cent., of the total output. The remaining 101 mines are situated on Crown lands, and produced 1,176,068 tons, or 55 per cent., of the total output of 2,140,217 tons.

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

		Tons.			Tons.
1930 ..	..	2,542,092	1934 ..	..	2,060,315
1931 ..	..	2,157,756	1935 ..	..	2,115,184
1932 ..	..	1,842,022	1936 ..	..	2,140,217
1933 ..	..	1,821,258			

The increase in output for 1936 is 1.18 per cent. above the figure for 1935, and since 1933 a recovery of over 17 per cent. has taken place.

The quantity of coal imported into New Zealand in 1936 was 111,078 tons. This figure represents an increase of 13,680 tons over the figure for 1935, or an increase of 14 per cent. I regret the disparity between this increase and the increase of a little over 1 per cent. recorded for the same period in the output from New Zealand mines.

It appears to me that a disproportionate share of the increase in the coal requirements of the country brought about by increased prosperity has been enjoyed by the importer as compared with the local producer.

The increased costs of producing New Zealand coal brought about as a result of increased wages and better conditions introduced by the present Government have no doubt been partly responsible for the situation. I sincerely hope that gas companies, which are the principal consumers of imported coal, will still do their utmost to help local industry.

On the other hand, I am gratified to be able to point to a substantial increase in the output of the West Coast bituminous and sub-bituminous mines, the figure for 1936 being 796,763 tons, compared with 752,361 tons for 1935.

The output of the several classes of coal mined in each inspection district is summarized as follows :—

Class of Coal.	Output of Coal during 1936.				Total Output to the End of 1936.
	Northern District (North Island).	West Coast District (South Island).	Southern District (South Island).	Total.	
	Tons.	Tons.	Tons.	Tons.	Tons.
Bituminous and sub-bituminous	62,094	796,763	..	858,857	49,836,586
Brown	733,743	46,500	369,828	1,150,071	30,992,459
Lignite	..	1,307	129,982	131,289	5,148,498
Totals for 1936 ..	795,837	844,570	499,810	2,140,217	85,977,543
Totals for 1935 ..	837,620	803,653	473,911	2,115,184	83,837,326