

prospecting-rights over areas sufficiently large to justify substantial expenditure on what, from a financial point of view, can as yet only be regarded as a venture of a most hazardous nature. In the event of oil being discovered in commercial quantities the Act provides that the requirements of the Dominion must be satisfied before any oil is exported.

Since the Act came into force I have received seventy-eight applications for petroleum-prospecting licenses covering several thousand square miles of country. Many of these applications overlapped one another, and, after very careful investigation, I recently announced my decisions as to the allotment of specific areas amongst various applicants.

I am very pleased to be able to state that already definite action has been taken by one group of important interests. Scientific and technical personnel have arrived in the Dominion, preliminary work in the nature of roading and housing has been undertaken, and a drilling-plant of the most modern and efficient type has been landed and is about to be erected in the Poverty Bay District.

COAL-MINING.

There were 172 coal-mines operating in the Dominion in 1937. Eighty-two of these mines are situated on freehold property and produced 993,853 tons or 44 per cent. of the total output. The remaining 90 mines are situated on Crown lands and produced 1,283,946 tons, or 56 per cent. of the total output of 2,277,799 tons. The annual production of coal since 1930 has been as follows :—

Year.		Tons.	Year.		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	1937	..	2,277,799

The increase in output for 1937 is 6.43 per cent. above the figure for 1936, and since 1933 a recovery of over 25 per cent. has taken place.

The quantity of coal imported into New Zealand in 1937 was 116,499 tons.

I am gratified that our local output has shown an increase for the fourth year in succession, and I am also pleased to point out that in only four years in the country's history have our mines produced more coal than in 1937, these years being 1927, 1928, 1929, and 1930. The position must be regarded as very satisfactory in view of the inroads of competitive forms of power into the industrial field during the past ten years. I want, of course, to see the position of the coal-mining industry still further improved, and I again appeal to gasmaking concerns, which are the principal consumers of imported coal, to do their utmost to help our local industry.

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

Class of Coal.	Output of Coal during 1937.				Total Output to the End of 1937.
	Northern District (North Island).	West Coast District (South Island).	Southern District (South Island).	Total.	
	Tons.	Tons.	Tons.	Tons.	Tons.
Bituminous and sub-bituminous	41,694	928,290	..	969,984	50,806,570
Brown	736,804	45,598	403,918	1,186,320	32,178,779
Lignite	..	1,340	120,155	121,495	5,269,993
Totals for 1937 ..	778,498	975,228	524,073	2,277,799	88,255,342
Totals for 1936 ..	795,837	844,570	499,810	2,140,217	85,977,543

It will be noticed from the above tabulation that a very substantial increase in output was obtained from the West Coast mines. In 1937 the West Coast supplied 222,867 tons of coal in excess of the figure for 1935, representing an increase of nearly 30 per cent. in two years