

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

Class of Coal.	Output of Coal during 1939.				Total Output to the End of 1939.
	Northern District (North Island).	West Coast District (South Island).	Southern District (South Island).	Total.	
Bituminous and sub-bituminous	Tons. 71,029	Tons. 973,580	Tons. ..	Tons. 1,044,609	Tons. 52,829,029
Brown	731,676	58,411	369,876	1,159,963	34,451,156
Lignite	1,351	136,716	138,067	5,539,884
Totals for 1939 ..	802,705	1,033,342	506,592	2,342,639	92,820,069
Totals for 1938 ..	762,717	984,389	474,982	2,222,088	90,477,430

The increase in output is satisfactory in view of the need for greater production of native coal to fulfil the industrial, transport, and domestic needs of the Dominion, and at the same time to conserve overseas funds by restricting importations to the bare requirements of certain consuming units which cannot operate efficiently without a proportion of Australian coal.

A survey of the coal-mines already developed shows that they are capable of expanding production sufficiently to meet the requirements of consumers. The policy of not granting new coal-mining rights over Crown lands, except in isolated places, has therefore been maintained.

During 1940 it is estimated that an output of at least 2,500,000 tons will be required to fulfil the requirements of the Dominion. No difficulty should be experienced in producing this quantity of coal.

CO-OPERATIVE MINING, STATE COAL RESERVE.

Nineteen co-operative parties working portions of the State Coal Reserve near Greymouth produced, during the year 1939, 101,297 tons, the number of men employed being 174. During the previous year nineteen parties produced 108,214 tons, there being a decrease this year of 6,917 tons.

During the year a number of the parties were carrying out development work.

The achievements of the co-operative parties over the years and their record of production demonstrates very clearly the advantages of this system of mining wherever it can be applied.

My policy is to foster all genuine co-operative mining enterprises by making available technical advice, geological information, and, where necessary, financial aid for development and plant.

Up to the end of 1939 these parties have produced a grand total of 1,442,741 tons of coal, and have in the same period paid royalties to the State amounting to £67,973.

STATE COAL-MINES.

The State Coal-mines experienced a very satisfactory year, the output being 220,780 tons, which was the highest for many years.

The new Strongman Colliery commenced production in February, 1939, and although development work is still proceeding the daily output is now approximately 350 tons. The coal is of high quality, finding a ready market for gas and steam purposes, and being exceptionally popular as a domestic fuel.

The net profit for the year ended 31st March, 1940, after making provision for interest and depreciation, amounted to £14,840, an increase of £1,527 compared with the previous year. A sum of £5,500 was transferred to the sinking fund, leaving a net surplus for the year of £9,340.

The Liverpool Colliery worked 211 days during the year, an increase of 9 days compared with the previous year. At the James Colliery work was carried out on 227 days, an increase of nineteen days compared with the previous year. The Strongman Colliery, which commenced production in February, 1939, worked 225 days during the year.

OUTPUT AND SALES.

Liverpool Colliery.—The gross output for the year was 152,189 tons, as compared with 137,533 tons for the previous year, an increase of 14,656 tons.

James Colliery.—The gross output for the year was 24,755 tons, as compared with 42,649 tons for the previous year, a decrease of 17,894 tons.