

State Coal-mines

The policy of the Government is to nationalize the coal measures of the country and provide for their working under the authority of the State. This will mean that all the principal coal-mines will eventually be operated by the State itself. It is not, however, the intention of the Government to acquire or to operate small mines, and the practice of leasing small blocks of coal to private or co-operative parties will be continued.

As at 31st March, 1947, the State coal-mines were operating thirteen underground mines and seven opencast mines. Since that date, however, offers to sell the following underground mines have been received and have been accepted by the Government:—

Paparoa Mine (West Coast).

Star Mine (Ohai).

Black Diamond Mine (Ohai).

In addition, after an approach to the Government, the Westport Coal Co., Ltd., which operates three mines—Millerton and Denniston on the West Coast and Birchwood at Ohai—has recently advised shareholders to accept the Government's offer to purchase all the shares in the company at the price of £2 per share. The Kamo Mine (North Auckland) is also under offer to the Government.

The Government are prepared at any time to discuss terms for the acquisition of the larger mines, because it believes that the experiences of the past have proved conclusively that the utilization of the coal resources of the country is not an undertaking which should be left to the profit-earning motives of private enterprise.

Financial provision has been made in the National Development Loans Account for the purchase of those mines referred to, together with an additional sum which will be available to buy other coal-bearing properties if required. The total amount set aside for this purpose is £2,500,000.

Main Highways Finance

In the Budget last year provision was made for the writing-off of arrears of interest payable out of main highways funds, the amount involved being approximately £2,000,000 and covering a period of four years from 1st April, 1943. The Main Highways Account was also relieved of loan liability to the extent of £1,226,000, and after allowing for new loan-moneys expended during 1946–47 the total debt of the Main Highways Account at 31st March, 1947, stood at £12,159,000.

The intention was, as stated last year, that full interest would again be payable by the account as from the 1st April, 1947. The position regarding our whole highways system, has, however, been further reviewed by the Government, and it has been decided that to