

1920.
NEW ZEALAND.

COAL-CONTROL DEPARTMENT.

REPORT BY MINISTER IN CHARGE.

Laid before both Houses of the General Assembly by Leave.

REPORT.

It will be remembered that in my report for the year 1919 incorporated in that for the Munitions and Supplies Department—the whole circumstances leading up to the establishment of control over the distribution of coal throughout the Dominion were fully outlined, and the activities of the Department up to the middle of that year exhaustively reviewed. In addition, the functions of the Coal Trade Committees set up in the four centres were defined. It is therefore unnecessary for me to again draw attention to those aspects.

During last year it is regrettable to record that the production of coal in the Dominion mines has shown a falling-off of 186,402 tons when compared with the previous year; the total production for last year falling short of 1914 by 427,745 tons.

The following table, showing outputs and importations for the years 1914 to 1919 inclusive, illustrates the seriousness of the decline which has taken place over that period :—

Year.				New Zealand Outputs.	Importations.	Total.
				Tons.	Tons.	Tons.
1914	..	..	..	2,275,593	518,070	2,793,663
1915	..	..	..	2,208,624	353,471	2,562,095
1916	..	..	..	2,257,135	293,956	2,551,091
1917	..	..	..	2,068,419	291,597	2,360,016
1918	..	..	..	2,034,250	255,332	2,289,582
1919	..	..	..	1,847,848	455,494	2,303,342

It will be observed that the total quantity of coal available for distribution last year was 13,760 tons more than for the preceding year, but this increase is solely due to increased importations, which exceeded those for 1918 by 200,162 tons. On the other hand, it has to be pointed out that the total quantity of coal available (produced and imported) in 1919 was 490,321 tons less than for the year 1914.

If the combined outputs and importations for each year for the past six years had been maintained on the 1914 basis the Dominion would have had a total of 16,761,978 tons instead of 14,859,789 tons actually produced and imported—a net loss on the six-yearly period of 1,902,189 tons.

To show the fluctuations in the production of coal in the three divisions under which the Dominion's output of coal is classified (and also importations), the following table for the years 1914 to 1919 inclusive will prove of interest :—

COMPARATIVE STATEMENT SHOWING OUTPUTS OF NEW ZEALAND MINES AND IMPORTATIONS FROM 1914 TO 1919 INCLUSIVE.

Year.				Bituminous and Semi-bituminous.	Brown.	Lignite.	Totals for New Zealand Mines.	Importations.	Grand Totals.
				(1) Tons.	(2) Tons.	(3) Tons.	(4) Tons.	(5) Tons.	(6) Tons.
1914	..	..	..	1,494,313	691,367	89,913	2,275,593	518,070	2,793,663
1915	..	..	..	1,404,400	725,001	79,223	2,208,624	353,471	2,562,095
1916	..	..	..	1,422,074	653,898	181,163	2,257,135	293,956	2,551,091
1917	..	..	..	1,247,989	629,174	191,256	2,068,419	291,597	2,360,016
1918	..	..	..	1,122,308	705,773	206,169	2,034,250	255,332	2,289,582
1919	..	..	..	961,107	684,331	202,410	1,847,848	455,494	2,303,342
Total for six years				7,652,191	4,089,544	950,134	12,691,869	2,167,920	14,859,789

From a perusal of column 1 it will be seen that with the exception of the year 1916—when there was an increase over the preceding year of 17,674 tons—each year has shown a steady falling-off in bituminous and semi-bituminous coals as against 1914; the lowest point being reached last year, when the total output of this class of coal in New Zealand dropped to 961,107 tons, representing a shortage of 533,206 tons when compared with the year 1914—equal to about 36 per cent.

In assessing the quantity of hard coal actually lost through production not being maintained during the period referred to on a parity with the quantity produced in 1914, it is found that the total quantity of coal lost for the six years amounts to no less than 1,313,687 tons.

On referring to column 5, "Importations," and again taking the year 1914 for purposes of comparison, it will be noted that during the year 1919 importations amounted to 455,494 tons, a falling-off of 62,576 tons.

As already mentioned, the shortage of hard coal produced in the Dominion for 1919 as compared with 1914 amounted to 533,206 tons, and adding the shortage in importations for the same period of 62,576 tons, a total shortage of 595,782 tons is shown, equal to 29 per cent.

Of the 455,494 tons imported during 1919, it may be mentioned that 240,288 tons were brought to New Zealand from Newcastle in Union Company's vessels, outside tonnage accounting for the balance; and the arrangements now in progress indicate that probably 350,000 tons will be lifted by Union steamers during the current year.

The total quantity of hard coal produced in the Dominion and imported during the year 1914 has been taken as a basis for comparison, as conditions during that year were practically normal, and the coal then available was sufficient to meet the requirements of the various industries and public services of the Dominion, and at the same time permitted reasonable reserve stocks being built up by the various users of this class of coal. With 29 per cent. less hard coal available for distribution in 1919 than was the case in 1914, it will be readily understood why industries and services for which this class of coal is essential experienced so much difficulty in obtaining supplies to meet their immediate requirements, and clearly indicates the utter impossibility of reserve stocks being built up, especially when it is remembered that most industries and public services have considerably extended operations during the past year.

INCREASING IMPORTATIONS.

As was pointed out in my last report, it was clearly recognized early in 1919 that to meet the continued falling-off in the production of hard coal in the Dominion special efforts would be necessary to increase importations, and in this connection it is very gratifying to record that the steps taken by my Department resulted in importations being increased from 255,332 tons for 1918 to 455,494 tons last year—an increase of 200,162 tons; and when it is remembered that there was a falling-off of 161,201 tons of hard coal in the New Zealand mines during the year 1919 as against the previous year, it is quite obvious that had it not been for the large increase in importations the Dominion could not possibly have maintained all industries and public services as has been done up to the present.

It is estimated that to satisfactorily meet the Dominion's requirements for hard coal over 2,000,000 tons per annum would be required—which exceeds the present production in New Zealand by over 1,000,000 tons—if the Dominion is to be self-supporting, as it should be, in this direction.

In considering the question of providing shipping tonnage for the carriage of coal from overseas, it has to be remembered that other essential commodities as necessary as coal in the Dominion's welfare have to be provided for, and with only a limited tonnage available the problem of satisfactorily meeting the various demands has been a most difficult and complex one, but the best possible has been done to endeavour to meet all immediate requirements, having regard to their relative importance to the country. In this connection it should be mentioned that since the beginning of this year shipping tonnage had to be provided to lift 2,000,000 bushels of wheat purchased by Government in Australia to augment New Zealand supplies of wheat. In addition to this, hardwood timber had to be transported from Australia to meet urgent requirements of hydro-electric works, tramways, County Councils for bridges, and many other important public and private works. Space had also to be provided for other classes of cargo, such as fertilizers, agricultural salt, &c., urgently required in the Dominion.

BUNKERING OVERSEAS STEAMERS.

Reference was made in my last report to the necessity for overseas steamers bringing sufficient bunker coal from last coaling-port *en route* to New Zealand to carry them to the first coaling-port outwards, so as to obviate drawing on New Zealand supplies as much as possible; and it is a matter of extreme satisfaction to record that the assistance rendered by the overseas shipping companies in this direction had the effect of releasing hard coal for the Dominion's industries and services, the activities of which would no doubt have been considerably curtailed if local supplies had been drawn on. The value of the assistance rendered in this direction by the four overseas shipping lines trading to New Zealand may be gauged by the fact that for the period 1st September to 31st May, 1920, no less than 183,774 tons were carried in overseas steamers (including coal in steamers' permanent bunkers on arrival) for bunkering, and other essential purposes.

Up to the end of August, 1919, the falling-off in coal available for distribution amounted to approximately 100,000 tons when compared with the previous year; and when it is remembered that the "go-slow" policy was inaugurated in the New Zealand coal-mines in the September following, it will be realized the serious effect such action had on our industries and services. This policy was continued up to the end of February last, when the national agreement was brought into operation.

Another factor which materially added to our difficulties in providing sufficient coal for our industries and services was the Australian marine engineers' strike, which resulted in several colliers whose engineers were on Australian articles having to be temporarily withdrawn from the Newcastle-New Zealand trade.

As the direct outcome of the reduction in outputs due to the operation of the "go-slow" policy, together with the falling-off already referred to, the position of coal-supplies towards the end of last year was extremely critical; and, having in view the cessation of mining operations—both here and at Newcastle—during the Christmas and New Year holidays, Government, through the High Commissioner for New Zealand, arranged for two shipments of South African coal, which arrived in the Dominion in February last, at a time when industries were experiencing the utmost difficulty in obtaining coal to enable them to carry on. One shipment was discharged at Wellington, principally for freezing-works; the other at Lyttelton, where the bulk of the cargo was distributed throughout the Canterbury Province to meet the requirements of threshing plants, harvesting operations being then in full swing.

Although the price of the coal brought by these steamers was considerably higher than that ruling for other classes of coal locally, no difficulty was experienced in disposing of same, and it is to the credit of the industries concerned that they took full advantage of the shipments in question, irrespective of price.

With regard to the present year, a review of the first five months in comparison with the same period last year discloses—as shown in the following table—a shortage in outputs from the principal coal-mines of 111,503 tons; but, on the other hand, importations on the same basis show an increase of 53,713 tons, leaving a net deficit of 57,790 tons.

Dealing separately with bituminous coals, however, it must be placed on record that of the total shortage disclosed—viz., 111,503 tons—in the principal New Zealand mines, no less than 81,475 tons (over 70 per cent.) is in hard coals.

As against the above shortage of 111,503 tons, importations during the same period have increased by 53,713 tons, leaving, as shown, a net deficit of 57,790 tons.

	Monthly Outputs, Important Mines.		Importations.		Combined Outputs and Importations.		Decrease.
	1919.	1920.	1919.	1920.	1919.	1920.	
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
January ..	133,510	99,585	21,364	48,475	154,874	148,060	6,814
February ..	139,190	104,210	24,384	44,466	163,574	148,676	4,898
March ..	146,444	131,377	40,699	45,646	187,143	177,023	10,120
April ..	121,051	116,352	40,142	36,078	161,193	152,430	8,763
May ..	153,611	130,779	33,131	38,768	186,742	169,547	27,195
Totals ..	693,806	582,303	159,720	213,433	853,526	795,736	57,790

Since the abolition of the "go-slow" policy some improvement has taken place in outputs; but, unfortunately, delays to steamers on the West Coast—where bar delays are frequent—and again at discharge ports owing to heavy rains and congestion of shipping, with consequent shortage of labour, have resulted in a certain amount of disorganization, so that industries have not as yet secured any material advantage from the increased outputs. Then, again, the improvement referred to in outputs has been counterbalanced by the withdrawal of steamers usually engaged in the carriage of coal from Newcastle for the purpose of transporting—as already mentioned—New Zealand's purchase of wheat from Australia. Admiralty requirements, approximating 5,000 tons per month, have also to be met.

It is hoped, however, to clear up the carriage of wheat during June, when it is trusted arrangements can be made to considerably increase the present tonnage employed in the Newcastle-New Zealand coal trade.

HOUSEHOLD SUPPLIES.

In dealing with the question of household supplies every effort has been made to allocate as much as possible for this purpose, but it was inevitable with the serious decline in production—especially of hard coal—that supplies for domestic purposes had to be seriously restricted, as had such steps not been taken a serious curtailment in the activities of many industries and public services would have resulted. The rationing scheme inaugurated by the Wellington Coal Trade Committee last year is still in operation, and has resulted in supplies of domestic coal being distributed in such a manner as to ensure that no householder receives more than bare requirements.

Since the inception of the scheme in June last year 209,226 applications for permits have been dealt with, representing orders amounting to 24,731 tons, the average order per customer being 2·3 cwt.

It may be pointed out that the question of providing household supplies for Wellington possesses features not obtaining in other centres, inasmuch as practically the whole of Wellington's domestic coal is seaborne; consequently the supply is subject to more frequent interruption owing to dislocation of shipping and other causes affecting the movements of steamers than is the case in other centres where supplies are railed direct from the collieries. Nor is this the most important feature, for practically the whole of Wellington's supply is confined to bituminous coals, which, as indicated earlier

in my report, show a much greater falling-off in recent years than any other class of coal mined in New Zealand; and, further, it is this class of coal that is essential for railways, shipping, freezing, gasworks, and other public services and primary industries.

It will be readily seen, therefore, that any substantial increase in the allocations for household purposes, having regard to the acute shortage of this class of coal existing, could only be done by withdrawing equivalent quantities of coal from the industries and services mentioned; and as these are essential in the welfare of the Dominion, any interference with their activities would inevitably result in widespread disorganization of trade, unemployment, and financial loss to all concerned.

FIREWOOD-SUPPLIES.

The firewood depot, to which reference was made in my previous report, and which is administered by the Coal control Department, has shown a considerable expansion of business, and to meet growing demands extensive alterations have been necessitated. When the Department was established in July, 1919, two saws driven by an 8 horse-power steam-engine were installed; but in order to cope with the rapidly increasing business it was found necessary to install another 8 horse-power steam-engine capable of driving four saws, and two electric motors driving one saw each, making a total of 8 saws, which can be increased to nine by connecting another with the original steam-engine. The plant as it now stands is capable of cutting approximately forty cords a day. Delivery to householders is by means of two motor-trucks owned by the depot, and several hired lorries which are employed as circumstances warrant.

Since the inception of the depot in July last year to the end of May this year 1,568 cords have been sold, representing a value of £6,192, indicating clearly the extent to which householders have availed themselves of the advantages offered, thus minimizing the hardship that would have undoubtedly ensued in view of the prevailing shortage of coal.

In order to give the public every facility for placing orders for firewood, arrangements were made in January last with the Post and Telegraph Department to accept orders at the various city and suburban post-offices, and this arrangement has been taken full advantage of by the public, as is evidenced by the fact that for the five months ended 31st May no less than 3,462 orders have been received, of a total value of £2,198, through the various post-offices.

SHIPPING REGULATIONS.

An important amendment to the Shipping Regulations, 1917, was gazetted on the 29th November, 1919, providing that all British ships owned by or chartered by any company incorporated in New Zealand, or any company, firm, or person the headquarters of whose business is in New Zealand, must obtain licenses before leaving New Zealand waters for any port overseas.

GENERAL.

In concluding this report I wish to acknowledge the services rendered by the Coal Trade Committees in the four centres, together with the representatives of same in outlying ports, for the valuable assistance they have rendered in distributing coal within their respective areas. During the year under review the duties undertaken gratuitously by them have been most arduous owing to the continued shortage of coal, and it has been largely due to their efforts in distributing available supplies to best advantage that industries and services have been kept going with so little dislocation. The assistance rendered by the Post and Telegraph and Railway Departments in connection with operations at the firewood depot was most valuable, and has contributed largely to the successful working of the depot.

The Customs Department and the Collectors of Customs at the various ports have also rendered valuable assistance in supplying statistical information relating to coal matters and the movements of steamers carrying coal, and in connection with the administration of the Shipping Regulations the valuable co-operation of the Marine Department has contributed largely to the smooth working of the regulations.

I have also to acknowledge the excellent services rendered by the staff of the Coal-control Department, and the efficient manner in which they have carried out their duties during the exceptionally trying period under review.

Wellington, 30th June, 1920.

W. F. MASSEY,
Minister in Charge.

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