

MINERAL OILS.

For many years past numerous efforts have been made to develop the production of mineral oils in different districts in the Dominion, and considerable sums of money have been expended in efforts to "strike oil" in various localities. During the year energetic operations in boring have been carried on by enthusiastic prospectors in the Taranaki, Gisborne, Grey, and Southland districts, with variable results. It is now, however, satisfactory to inform honourable members that at last success appears to have been attained by at least one of the companies which so consistently carried out boring operations in the Taranaki oil region, and according to present indications it is anticipated that their efforts are about to be rewarded. If the present flow of oil continues it is expected that this company will soon be in a position to claim the bonus of 3d. per gallon which has for some years been offered by the Government. There are at least two important questions connected with the future development of the mineral-oil industry in this country demanding early and careful consideration. The first is the establishment of a mineral-oil refinery, and what assistance, if any, should be given by the State towards the development of this exceedingly important new industry. The second question demanding attention is legislative control of the flow, and storage of mineral oil in large quantities. There are at present probably 100,000 gallons of crude petroleum stored in concrete tanks in the vicinity of the Town of New Plymouth, and, while I am aware that every reasonable precaution is being taken, it is desirable to point out that this is an exceedingly dangerous practice. In no other country in the world that I am aware of is the manipulation of mineral oils permitted without control or regulation to insure public safety. To remedy this omission I propose to submit legislation to honourable members for consideration during the present session.

CINNABAR.

Some progress has been made during the year in the development of the cinnabar deposits in the vicinity of Mackaytown, near Karangahake. The Ascot Cinnabar Syndicate have erected a plant for the reduction of cinnabar, and, so far, their operations, which are on a small scale, appear to be meeting with some success, as they have recently notified me of their intention of claiming the Government bonus for the production of quicksilver, of which they had then produced a small quantity. The Inspector of Mines at Waihi has been appointed to certify to the quantity of quicksilver produced.

OTHER MINERALS.

Little or no progress has been made in the production of copper, scheelite, antimony, or manganese ore during the year. The scheelite-mines at Glenorchy, Macrae's Flat, and Mount Highlay produced about 139 tons of tungsten concentrates, and the Maoriland Copper Company, Nelson, produced 764 tons of ore, valued at £1,872. There was a decrease in the production of mixed minerals during the year amounting to £4,610.

GEOLOGICAL SURVEY.

During the season of 1909-10 detailed geological surveys were carried on in the Tairua-Waihi, Dun Mountain, and Greymouth Subdivisions. In the important mining areas included in the former subdivision it is hoped that the very careful investigations now being made will result in material assistance to the gold-mining industry. It is expected that field-work in this locality will be completed next January.

Field-work in the Dun Mountain Subdivision was finished last September, and a bulletin on the area has been prepared.

In the Greymouth district field-work is now completed, and a bulletin thereon is in course of preparation. A detailed examination of the Taranaki Oilfield, which was begun during the year, will, it is hoped, be brought to completion during the