

The price paid by the Imperial Government, which has commandeered all tungsten-ore produced in the Empire, has recently been raised to a price per unit which is more than double the pre-war market price.

During the approaching summer a careful geological examination will be made of the scheelite-mining district in Otago.

PETROLEUM.

Drilling for petroleum has been carried on in Taranaki, Hawke's Bay, and Westland. The principal operations were those of the Taranaki Oil-wells (Limited), situated at Moturoa and Waitara; six boreholes have been drilled at the former place and two at the latter, the greatest depth attained being 4,040 ft., at Moturoa. This company gained the Government bonus of £7,500 for the production of the first 1,000,000 gallons of marketable crude oil, and £1,250 for the first 250,000 gallons of refined oil.

The deepest oil-prospecting bore in the Dominion is that of the Taranaki Oil Lands Company (Limited), at Moturoa, where a depth of 5,140 ft. has been attained, and drilling operations are still being continued.

The petroleum industry of New Zealand has not so far proved profitable, the yields of oil hitherto obtained being too small to cover expenses. To encourage the industry the Government has paid by way of bonus, loans, or subsidy over £20,000, and is still assisting.

IRON.

For many years past attempts have been made to smelt the beach magnetic ironsand which occurs in millions of tons near New Plymouth, and at the present time the New Zealand Iron-ore Smelting and Manufacturing Company is engaged in constructing, near the Breakwater at Moturoa, a blast furnace and works necessary for the production of pig iron. This company has for several years been engaged upon experimental operations with the ironsand by the Heskett process, and has already produced a quantity of pig. The expenditure by the company, I understand, exceeds £30,000, and their enterprise is deserving of success.

Nothing has yet been done to develop the large deposits of limonite at Parapara, held under lease from the Government by the Parapara Iron Company and Mr. T. A. Turnbull.

QUICKSILVER.

The Whangarei Cinnabar-mining Company, having developed its mine, installed a furnace, and has obtained therefrom 4,125 lb. of quicksilver as the result of treating 198 tons of ore. The quicksilver, I understand, was sold in Auckland at from 5s. to 7s. per pound. A considerable reserve of ore has been proved.

In addition to this company two parties of miners are prospecting for cinnabar in the same locality.

For the purpose of encouraging production the Government during August, 1917, offered a bonus of 4d. per pound on the production of the first 100,000 lb. of good marketable retorted quicksilver, but no claim has yet been made.

KAURI-GUM.

The quantity of kauri-gum exported during 1917 amounted to 4,594 tons, value £291,917, as compared with 5,456 tons, value £339,882, during 1916; the total quantity and value of this resin exported to the end of 1917 being 353,873 tons and £18,167,939 respectively. The decline in output is largely due to the closing by war of the European market.

PHOSPHATE.

The only operations in connection with the quarrying of phosphate were those of the Ewing Phosphate Company at Clarendon, Otago, which produced during the year 5,050 tons, the total output of this company being 107,522 tons. The total output from other phosphate-quarries in the Clarendon-Milburn district to the end of 1917 was about 5,470 tons.