

I was informed that the pig iron produced is phosphoric—i.e., above the Bessemer standard in phosphorus—but that the excessive titanium contained in the ironsand was greatly eliminated in the furnace. The operation being of an experimental nature, further information regarding the quality and analysis of the pig iron was not obtainable by me upon application to Mr. Hesketh, jun.

For the encouragement of the manufacture in New Zealand of iron and steel the Iron and Steel Industries Act, 1914, has been passed. In this statute provision has been made for the payment of bounties at the rate of 12s. per ton on pig iron, and £1 4s. per ton on puddled bar iron and steel respectively, to cover a period of three years, and with a proviso that the total sum payable as bounty shall not exceed £150,000. Regulations have since been gazetted prescribing the minimum quantity and the standard of quality of the bounty goods, also the procedure to be followed by applicants for bounty.

PETROLEUM.

The year's operations have been uneventful, no new productive wells having been drilled; and several of the prospecting companies have ceased operations.

The Taranaki Oil-wells (Limited) has treated at the new refinery at Moturoa 525,475 statute gallons of crude oil, the product meeting with a ready sale at prices equal to the imported article. Unfortunately, however, the three productive wells of this company, Nos. 2, 3, and 5, have declined in yield from an average of 689 statute gallons prior to the 27th August, 1912, to about 300 gallons per day for the period intervening between that date and the 24th March, 1915. Unless a more permanent supply of oil is tapped by the drilling operations, which are now being continued to a greater depth, there is little prospect of the company's refinery, which is capable of refining 10,000 gallons per day, being kept actively employed. On the 24th March, 1915, this company had proved to my satisfaction that 776,161 gallons of crude oil had been impounded, and that it contained on an average 97 per cent. of oil capable of distillation.

Drilling operations are being continued at the Blenheim well, Moturoa, by the Taranaki Oil-lands (Limited). A depth of 3,315 ft. has been attained, and a feeble flow of oil was issuing from the well at the time of my visit on the 24th March, 1915, of which 21,000 statute gallons had then been impounded in the No. 7 tank of the Taranaki Oil-wells (Limited).

The following is a list of oil-wells and prospecting-boreholes recently drilled, together with their depths and the results* attained:—

Name of Company.	Name or Number of Well.	Locality.	Total Depth, in Feet.	Result.
Taranaki Oil-wells	1	Moturoa	3,030	Abandoned or suspended.
"	2	"	3,030	Feebly productive.
"	3	"	4,040	"
"	4	"	850	Unproductive.
"	5	"	2,890	Productive.
"	6 (rotary)	"	2,885†	Drilling; feebly productive.
"	1	Bell Block, Waitara ..	3,821	Unproductive; abandoned.
"	2	"	2,970	"
Taranaki Oil-lands, &c. ..	Blenheim	Moturoa	3,315‡	Productive at 2,171 ft. and 2,211 ft.
Phoenix Oil	"	"	2,300‡	Abandoned or suspended.
Consolidated Oilfields of Taranaki ..	"	Huiroa	3,700‡	Drilling.
Bonithon Freehold Oil	"	Near New Plymouth ..	2,505	Drilling suspended.
United Oil	"	Tikorangi, Waitara River	695‡	Abandoned or suspended.
Kotuku Oilfields	"	Near Lake Brunner ..	952	Abandoned (in primary rock).
"	1	Near Waipatiki, Hawke's Bay	3,000	Abandoned or suspended.
"	2	Ditto	2,000	"
New Zealand Oilfields	1	Totangi, Gisborne ..	511	"
"	2	Waihirere	1,375	"
Mangaone Oilfields	1	Mangaone Valley, near Eketahuna	3,000†	"
"	2	Near Eketahuna ..	114‡	"

* The depths and results here given are from the best evidence obtainable by the Mines Department, but information in some cases is difficult to obtain, and the depths are not guaranteed as correct.

† The rotary system of drilling was employed.

‡ The Canadian-Galician percussion system of drilling is employed.

SULPHUR.

Owing to the destruction by earth-tremor and subsequent irruption of the whole of the New Zealand Sulphur Company's works, and the loss of all the eleven employees living on White Island on the 11th September, as described in Section III of this report, operations have ceased, and it is to be hoped that no further attempt will be made to exploit the sulphur-deposits of doubtful commercial value upon that weird island.