

required to decide whether or not the vessel is so damaged in hull or in machinery as to be unseaworthy.

In all cases of accident you are requested to call the attention of Masters of Steamers to section 33 of "The Steam Navigation Act, 1866, and to see that the provisions of this section are complied with. In the event of a survey being held on the vessel, you are to obtain and forward to the Marine Engineer a copy of the Report.

I have, &c.,

Secretary.

Sub-Enclosure in Enclosure 2 in No. 1.

The following arrangements have been made for carrying out the provisions of "The Steam Navigation Act, 1866."

1. Mr. Nancarrow, appointed Official Inspector and Engineer Surveyor under the Act, will visit every port of the Colony at regular intervals of three months.

2. Other Inspectors or Engineer Surveyors, will, if necessity arise, be appointed for any particular port or group of ports; such officers not to receive a fixed salary, but to be paid for each inspection or other service on a scale to be arranged.

3. At the ports where such additional Inspectors or Surveyors are appointed, it may be arranged that they shall take the intermediate quarterly surveys, but in any case the permanent Engineer Surveyor will visit each port and survey every steamer at least once in each half-year.

4. The time for Mr. Nancarrow's first visit to each port has been arranged so as to suit the times when the steamers belonging to that port require to be surveyed, as nearly as possible; and he will lengthen or shorten the periods for which the next certificates are to be in force so that they shall all fall in at the proper times in future.

5. Should the certificate of a steamer belonging to any port lapse before the period of the Inspector's first or any subsequent visit, the Collector of Customs at that port is authorized to permit the vessel to run in the interim, on receipt of a written declaration signed by the Master and Engineer that her hull, boilers, machinery, and equipments are in good condition.

6. The Postmaster-General will delegate the powers contained in section 34 of "The Steam Navigation Act, 1866," to the Collector of Customs for every port in so far as concerns that port, so that in case of any reported damage to any vessel the Collector of Customs may call upon any of the Inspectors or surveyors appointed under the Act, or "any other fit person," to report whether the hull and machinery of the said vessel are in good condition, and to report upon the nature and causes of any accident.

7. Should a vessel be damaged to such an extent that she cannot be repaired in the port where she is, or to which she is taken after the accident, the Collector of Customs is authorized to allow her to clear in ballast, and without passengers, for any specified port, for repairs, provided she be reported sufficiently seaworthy, in the absence of an official Inspector, by Lloyds' Surveyor, or by the Surveyor acting for the Underwriters, or in default of them, by two respectable shipmasters, after a proper examination.

8. Should the damaged vessel be capable of being repaired at the port where she is, and should the repairs be speedily executed, the Collector of Customs, in the absence of an official Inspector, is authorized to allow her to run as before on receipt of a declaration under the hand of the Master, the Chief Engineer, and the Engineer, if any, by whom the repairs have been made, that the damage has been thoroughly repaired, and that the steamer is in all respects in a seaworthy condition in accordance with the Act; and (if she be a sea-going vessel) that her compasses have been examined and that their deviations are known.

9. Should the repairs be more extensive it is probable that the port will be visited by an official Inspector (if none be resident) before their completion; but should it seem probable that this will not be the case in any special instance the circumstances are to be reported by the Master to the Marine Engineer, by whom some special arrangement will be made.

10. Any person wishing a license to examine and adjust compasses must forward an application for the same together with a description of the method adopted by him, and copies of any testimonials he may possess, to the Marine Engineer, who will, as delegate for the Postmaster-General, issue a license to the applicant, provided he be satisfied after personal examination, should he see fit, that the candidate fully understands and is competent to undertake the operation. But should there be no proper mooring dolphin and other conveniences for swinging vessels in any port, the Marine Engineer may refuse to issue any license for that port till such be provided.

11. At ports where there is no person licensed to swing vessels for compass correction, and no proper conveniences, the vessel may be allowed to proceed to sea after repairs, provided the master of the vessel has swung her himself under the superintendence of the Harbour Master, who shall certify to the fact; but in that case she will require to be re-swung at the first port she arrives at where there are proper conveniences.

12. Masters and Engineers of steam vessels shall, as a rule, be examined by a regularly gazetted officer of the Marine Department only, who shall hold an appointment as Examiner from the Marine Engineer. But the Marine Engineer may, in certain cases, authorize in writing the calling in of any local nautical officer for the purpose of examining Masters of Steamers which ply only or mainly on local waters.

13. No steamer can ply in New Zealand unless the Master and Engineer hold New Zealand certificates of competency; but should they already hold Board of Trade certificates, or satisfactory certificates from other Colonies, New Zealand certificates may be issued to them without further examination; but such officers will require to produce satisfactory proofs of sobriety and good conduct, and to pay the usual fee.

14. According to the Act Masters' and Engineers' certificates are only valid for the vessel for which they are issued, but the fact of their holding old certificates may be taken as presumptive