

tory boundaries of the Colony of New Zealand), as it was reported as possible that the crew of the missing ship "North American" might be found on one of them. The search, however, proved fruitless. As already stated, the "Hinemoa" went there in March last, and established dépôts. Notices were posted on the dépôt buildings that a steamer would be despatched to the islands about February or March in each year, and it will therefore be necessary to see that this is done without fail.

Tenders were called for the supply of a new boiler for the "Stella," and that of Messrs. Luke and Sons for £909 was accepted; the boiler is to be completed by the 9th July. During the year the "Stella" steamed 18,860 miles, was 2,471 hours under steam, burnt 614 tons of coal, landed 1,007 tons cargo, and carried 184 passengers.

The schooner "Kekeno" has as usual been employed in making visits to the Auckland and Campbell Islands and West Coast Sounds, in connection with the protection of the seal fisheries.

*Examination of Masters, Mates, and Engineers.*—One hundred and forty-seven candidates passed their examination; of these, 109 were masters, mates, and engineers of sea-going vessels, and 38 masters and engineers of river steamers. Very strict tests are now enforced to see whether candidates suffer from colour-blindness; but, as yet, only one candidate—for a certificate as master of a river steamer—has failed from that cause. It is interesting to note that during the year one of the boys apprenticed from the Kohimarama Training School passed for, and obtained a certificate as "Only mate."

*Survey of Steamers.*—Certificates of survey under "The Shipping and Seamen's Act, 1877," have been issued to 187 steamers of 29,624 aggregate tonnage and 9,902 horse-power, being four steamers more than were surveyed last year. Owing to the establishment of a direct line of steamers with the United Kingdom, the question of the recognition by the Board of Trade of certificates of survey issued by this department has been raised, and, as the surveys here are conducted under the same regulations as those in the United Kingdom, His Excellency the Governor was advised to apply to the Colonial Office to move the Board of Trade to issue the necessary instructions to have New Zealand certificates of survey recognized. I have little doubt that this request will be acceded to.

*Relief of Distressed Seamen, &c.*—Certain moneys expended by this department on the relief of distressed seamen belonging to the German Empire and to the Colony of New South Wales have been recovered; and an amount of £41 10s. 8d. has been refunded to the Government of Fiji in respect of the relief of the crew of the "Active" and "Nightingale," both of which vessels belonged to New Zealand. In connection with the relief of the crew of the "Nightingale" by the master of the Peruvian ship "Remijio," who picked up the boat's crew, consisting of the master and others, and deviated very considerably from his voyage to land them at Fiji, it was determined to present him with a binocular glass in recognition of his humane services. The Agent-General was therefore requested to procure one suitably inscribed, similar to those usually presented by the Board of Trade, and to hand it over to that body for presentation to Captain Howard, which has been accordingly done.

*Wages and Effects of Deceased Seamen.*—During the year accounts of the estates of eighteen seamen were received by the department in pursuance of the provisions of "The Shipping and Seamen's Act, 1877;" the names of the men and the net amount of each estate are shown in a return attached hereto. In March last the sum of £57 2s. 10d., being balances of the estates of nine seamen that had remained unclaimed for a period of six years, was, as provided by the 87th section of "The Shipping and Seamen's Act, 1877," paid into the Public Account.

*Inspection of Machinery.*—The annual reports of the Chief Inspector and the Inspectors are attached hereto. During the year an additional Inspector has been appointed to overtake work which it was found the District Inspectors could not possibly cope with. The new Inspector at first took charge of the Canterbury District during the temporary absence of the Inspector; he then proceeded to Otago to work up the arrears in that district. It has not yet been settled where he is to be located, as a rearrangement of the districts is under consideration with the object of utilizing to the best advantage the services of the several Inspectors for the survey of steam-vessels as well as the inspection of machinery.

*Wrecks and Casualties.*—The accompanying table shows an analysis of the casualties reported. Those on the coast of the colony number 65, representing tonnage amounting to 25,908 tons, as against 63 casualties affecting 9,222 tons last year. The large increase in the tonnage in 1885-86 is accounted for by slight casualties to several large steamers. The number of total wrecks show a considerable decrease, being, within the colony, 10 of 1,368 tons, as against 17 of 4,175 tons the previous year.

It is gratifying to be able to report that the number of lives lost is less than last year, being 36 as against 55; those lost in the colony being only 9, as against 48 in the previous year. Of the lives lost on or near the coasts of the colony, 5 were in the "Malietoa" (all hands), and 4 in the "Fanny Kelly." Of those lost beyond the colony, 10 were lost in the "Elizabeth" (all hands), 6 from the "Earl Derby," 2 from the "Ada Melmore," and 1 each from the following vessels: "Halcione," "City of Florence," "Ganges," "Edwin Bassett," "Waikato," "Dragon," "Opawa," "Glenlora," and "Sarah and Mary."

The lives lost on board the "Manapouri," from the unfortunate accident caused by fumes from nitric acid, have not been included in this return.

*Fisheries.*—Oysters: Owing to the reckless way in which the rock-oyster fisheries have been worked it has been found necessary, in order to prevent their absolute destruction, to close the beds at Whangarei, the Hauraki Gulf, and the coast and harbours between Bream Head and a point just north of the Bay of Islands for a period of three years. It is hoped that by the end of that time the beds will have recovered. It was reported that one of the main causes of the beds having been so nearly destroyed was that the oysters were frequently stripped from the rocks with