

limits prescribed" the Premier does not include ships sailing from the United Kingdom, and proceeding to more than one port of discharge and loading in New Zealand or Australia before returning to the United Kingdom. But in that case the section should clearly express that construction. If, however, the Premier does include such vessels in his definition of "trading within the limits prescribed," the question would arise whether it was right and desirable, as a matter of policy, that the obligations of section 7 should apply to the vessels in question? But, whatever doubt may arise with regard to ships sailing from the United Kingdom, it is clear that sections 7 and 8 will apply to ships registered in and coming to New Zealand from any of the other Australian colonies, inasmuch as they clearly do not trade "beyond the limits prescribed for inter-colonial ships"; and on leaving a New Zealand port they may be required, under section 7, to be engineered in accordance with the scale prescribed by that section, although they may be properly officered in that respect under the laws of their own colony. This, again, raises a question of policy. But I understand the Premier to contend that the time has gone by for raising any question either of law or policy with respect to sections 7 and 8, on the ground that those sections are simply amendments of provisions in laws passed in 1877, 1894, and 1895, to which no objection was then taken by the Imperial Government.

3. With regard to sections 10 and 11: The former section requires, as to seamen "engaged in the colony," or "employed in the colony" wherever they may have been engaged, that they "shall be paid and may recover the current rate of wages for the time being ruling in the colony," but the section shall not apply to ships from abroad discharging cargo or passengers in the colony and then "shipping fresh passengers or cargo to be carried abroad." Section 11 entitled a seaman to the "full amount of his wages" up to the date of his discharge, whenever he is discharged in the colony, although he has not completed the full term of his engagement.

Mr. Seddon observes, with regard to section 10, that it clearly applies to vessels "while engaged in the coasting trade," and that the proviso distinctly negatives the application of the section to ships from abroad "which do not carry on coasting trade in the colony." The whole controversy here depends upon the meaning of the expression "carry on coasting trade in the colony." If a British ship coming from abroad—*i.e.*, from the United Kingdom, or any other colony than New Zealand—on a round voyage terminating outside New Zealand, ships a passenger or cargo to be carried to a New Zealand port before or as part of her return voyage, is she carrying on coasting trade in the colony? If she is not, the proviso should be made to express that meaning; if she is—and this is apparently Mr. Seddon's view—then her crew are "employed in the colony;" and, apart from the question of discharge under section 11, the New Zealand Act purports to alter contracts made for the whole round voyage for the time during which the vessel is so employed, although the section cannot actually operate unless the crew or any member of it is discharged in New Zealand. It would be desirable, however, that the section should not purport, on the face of it, to interfere with contracts made here if it can have no such practical operation.

But if a ship from abroad embarking a single passenger, or even a minute amount of cargo, for another port in New Zealand before or as part of her return voyage is to be held to be "carrying on coasting trade in the colony," and any seaman is discharged in New Zealand before completing his engagement, then under section 11 he is to be paid and may recover the full amount of his wages up to discharge, which, under section 10, would be the ruling rates of wages in the colony while the seaman was so "employed" there. Although, therefore, he entered into a contract in the United Kingdom for £4 per month in the United Kingdom, he might recover for the time in question £8 per month. This is the complaint of the London Chamber of Shipping, as I understand it; and, accepting Mr. Seddon's contention that it is within the power of the New Zealand Legislature to alter while operating in New Zealand a contract made here, that contention at least gives rise to a question of policy. Mr. Seddon appears to urge in defence of the section that British ships from abroad would otherwise compete unfairly with New Zealand coasting ships, and that the section treats all British ships alike. It must be admitted that there is considerable force in this argument, but the question should be carefully considered in all its bearings.

4. Section 18 is an amendment of section 7 of "The Shipping and Seamen's Act Amendment Act, 1894," which for the first time either in Imperial or colonial Legislatures, at any rate in modern times, lays down a scale of manning for ships. Like this provision, section 18 only applies to vessels engaged in the "coastal or intercolonial trade," but is limited to sailing-vessels, and does not, like section 7, apply also to steamships.

The same difficulty occurs here as in the case of other sections. What is the meaning of "coastal or intercolonial trade" as applied to British sailing-ships coming from the United Kingdom or other colonies? And the same necessity arises for ascertaining, first, the real meaning and scope of the section, and, secondly, the expediency of the policy thus involved.

Mr. Seddon relies also in regard to section 18 upon the fact that the New Zealand Act of 1894, of which it is an amendment, was not objected to by the Imperial Government.

Upon reviewing the whole subject, I have come to the conclusion that the Board of Trade would not be justified in advising the Colonial Office to disallow the clauses which have been the subject of discussion. They have been passed by the Legislature of a self-governing colony, whose powers are undoubtedly large; and although the clauses give rise to important questions of policy requiring further consideration, the better course would seem to be to act upon the suggestion made by the Board of Trade in the concluding paragraph of their letter of the 21st June, 1897, in reply to Mr. Chamberlain's letter of the 20th May, 1897. It appears to me that this is one of the matters affecting the administration of the Merchant Shipping Act generally which might with great advantage be discussed with the Agent-General or some other representative of the colony capable of explaining the views of the New Zealand Government in this matter, and that, upon the understanding that such a discussion will take place, the New Zealand Act might be allowed to come into operation in due course.

14th July, 1898.

W. M.