

Inspection having shown that the oyster-beds in the Hauraki Gulf require a rest, they have been closed this year. The beds in the northern and southern subdivisions of the northern oyster-fishery have also been closed. Those in the middle subdivision, extending from the south side of the Waitangi River to Cape Wiwiki in the Bay of Islands, are open, and it is anticipated that they will be able to meet requirements. The leasing of the beds in Manukau Harbour has not turned out so successful as was expected. Some of the lessees, finding that the beds in their areas were not paying them, have surrendered their leases, and it is probable that others will ask to be allowed to do so. The owners of dredging-cutters working in Foveaux Strait and other persons have asked that dredging for oysters by steam-vessels should be prohibited, on the ground that their dredges scoop up most of the oysters and thus injure the beds. The department has not, however, seen its way to accede to this request.

Licenses for the exclusive right of taking sponges from two areas at the Chatham Islands have been granted to Messrs. J. C. Cooper and O. S. Watkins, of Wellington, and if the sponges prove to be marketable a valuable new industry will be opened up.

*Weather-reporting.*—The duty of making and circulating weather forecasts has been performed by Captain Edwin, as has been the case for many years past. The forecasts for the localities are now shown by means of signals at Cape Maria van Diemen, Tiritiri, Cape Campbell, Farewell Spit, and Cape Foulwind Lighthouses, and are of great value to passing vessels, enabling them to be warned of approaching bad weather. This mode of publishing warnings is the first of the kind in use in the Australasian Colonies.

*Inspection of Machinery.*—The Chief Inspector's report, which is appended hereto, shows clearly the work which has been done during the year. Owing to the increase in the work of inspection it has been necessary to appoint another Inspector, and the appointment has been conferred upon Mr. A. W. Bethune, chief engineer of the Government steamer "Tutanekai." Mr. Bethune has been stationed in Canterbury, but he will be available for other districts should the work get in arrear. The benefit of having a proper system of Government inspection is shown by the immunity from serious accidents in the colony.

*Survey of Steamers, &c.*—The report of the Principal Engineer Surveyor is appended hereto. Last session an Act was passed empowering the Minister to make regulations to define the engineers to be carried by vessels propelled by gas, oil, fluid, electricity, or other mechanical power than steam, and to prescribe the certificates to be held by them. Regulations have since been made, and examinations have recently been held at Auckland. In order to interfere as little as possible with small vessels of this class, the Act exempts those under 5 tons register from survey and from carrying certificated officers, and those between 5 and 15 tons which are not allowed to carry more than twelve passengers from carrying certificated engineers, and from survey after the first survey. Several prosecutions have taken place for carrying passengers without certificates to do so, and for carrying more passengers than allowed, conviction resulting in each case.

*Examination of Masters, Mates, and Engineers.*—The Government having decided to procure an officer from England to fill the positions of Chief Examiner of Masters and Mates and Nautical Adviser, the Agent-General was instructed to confer with the Board of Trade as to the selection of a suitable person. This was done, and resulted in the selection of Captain H. S. Blackburne, who arrived in the colony in August last, and at once commenced his duties. He has prepared entirely new examination-papers, which are being used under his direction, and the examinations are being conducted in a satisfactory manner. The examinations are held at Auckland, Wellington, Lyttelton, and Dunedin, where the local examiners are Captains Reid, Smith, Marciel, and Fleming. The holding of examinations for certificates as masters of steamers plying within restricted limits has been discontinued at the Thames. One hundred and twenty-seven persons passed their examinations for certificates of competency, and seventy-seven failed. Of those who passed, seventy were masters, mates, and engineers of seagoing vessels, and fifty-seven were masters and engineers of steamships plying within restricted limits. No certificates of service were issued. The report of the Principal Examiner of Masters and Mates is appended hereto.

*Engagement and Discharge of Seamen.*—The appointment of nautical men to fill the positions of Superintendents of Mercantile Marine at the four principal ports having been decided upon, applications were invited by advertisement in the public Press, and Captains Reid, Smith, Marciel, and Fleming were selected for the positions. In addition to performing the duties connected with engagement and discharge of seamen, these officers are Examiners of Masters and Mates, and carry out any other nautical duties that may be required of them. The appointments have given satisfaction, and the department finds it beneficial to have men with nautical knowledge and experience at the shipping centres.

Some seamen having been wounded in a fracas which occurred in Wellington, on a steamer owned in the United Kingdom and trading between London and the colony, and it being necessary to leave them behind, the question arose as to whether the ship was liable for their maintenance in the colony and for their conveyance back to England. In order to settle the matter authoritatively it was brought before the Supreme Court, which decided in favour of the ship.

Proceedings have been taken against persons for employing men without putting them on the articles, a conviction resulting in each case.

*Government Steamers.*—Both steamers have been fully employed during the year. The "Tutanekai" has been engaged in carrying railway-sleepers and other Government cargo, on repairs to the Cook Strait telegraph-cable, making two trips to Samoa in connection with the native trouble there, and conveying His Excellency the Governor through the Pelorus and Queen Charlotte Sounds and round the greater part of the North Island. The "Hinemoa" has been principally employed on the work of conveying oil and stores to lighthouses, including material for the new lighthouse on East Island, and in overhauling and cleaning buoys. In addition to this work she has visited the Southern Islands and the Kermadec Islands to search for castaways and