Mr. H. W. Dawson, Postmaster at Akaroa, has been appointed Harbourmaster at that place, so as to give him power to license boats plying for hire in the harbour, and to prevent the indiscriminate removal of boulders, gravel, &c., from the foreshore.

A return showing the harbour-works authorised by the Governor in Council and the licenses

issued for the occupation of foreshore is appended hereto.

The sum of £3,322 4s. 3d. has been collected for pilotage and port charges in respect of the harbours under the control of the department, as against £3,255 14s. during the previous year.

The appended return shows the amount collected at each port.

Fisheries.—Further experimental trawling has been carried out in the North Island, under the direction of Mr. L. F. Ayson, Inspector of Fisheries. The steam trawler "Doto" was again direction of Mr. L. F. Ayson, Inspector of Fisheries. The steam trawler "Doto" was again chartered for the work, which was commenced off the Mahia Peninsula at the beginning of February last and finished off at Taranaki at the commencement of May. As flounders were getting scarce in Hawke's Bay it was decided, after the work with the "Doto" was completed, to charter the trawler "Rita" for a week to test the grounds further out than those fished by the ordinary trawlers. The tests were made under the supervision of Mr. Ayson, who will make a special report on the operations carried out both in the "Doto" and "Rita."

The proposed site for a fish-hatchery at Purakanui having been found to be unsuitable, a site has been selected in Otago Harbour, at the end of the Portobello Peninsula, and arrangements are now heing made with the owners and lesses of the land abutting on the proposed site for the lease

now being made with the owners and lessees of the land abutting on the proposed site for the lease

of the land required in connection with the hatchery

A salmon-hatchery has been constructed at Hakataramea. Early in January last a shipment of quinnat salmon-ova was received from California, having been supplied by the United States Fish Commission free of charge. The ova arrived in good condition, and as there was not room for the whole of it in the Hakataramea Hatchery, which was not then completed, a portion was sent up to Lake Ohau, where it has been successfully hatched. The United States Fish Commission allowed Mr. Lambson, its Californian Inspector, to come to New Zealand in charge of the ova without making any charge for his services, for which, and for the gift of the ova, the thanks of the department are due to the Commission.

Arrangements were made to obtain a shipment of sockeye, or blueback salmon ova, from Canada, but owing to the season being a poor one the Canadian Fisheries Department was unable

to obtain the ova; but a promise has been made that a shipment will be sent next season.

Besides being used for salmon the hatchery will be useful in connection with obtaining and distributing trout ova. Arrangements have been made to obtain a supply of trout ova during the coming season for the Westland Acclimatisation Society and the Hobson County Council.

Seals.—The close season for seals, which has been in force since October, 1894, has been

extended up to 30th June, 1902.

Oysters.—It has been decided to keep the oyster-beds in the Hauraki Gulf closed this year, as inspection has shown that they require further rest before being fit for picking. When the Inspectors visited the beds just before the termination of the ordinary close season for the North Island they found that one person had picked a large quantity of oysters on Kawau Island, having obtained permission from the owner of the island to take them. It was the intention of the picker to have them in Auckland for sale on the first day of the open season, but, as it was illegal to pick and have them in possession during the close season, they and the vessel which was being used to take them to Auckland were seized. The vessel was, however, returned to the owner, but the oysters, forfeited in accordance with the Act, were sold by the department.

The beds in the Northern and Southern Subdivisions of the Northern Fishery were opened on

the 1st April last, but owing to the large number of pickers and to the Auckland Fishery and the Middle Subdivision of the Northern Fishery being closed, the beds in the Southern Subdivision have already had so many oysters taken from them that in order to prevent their being seriously

injured it has been found necessary to close them again.

With a view to the beds on Moturua and Motu Maire Islands, near Russell, being reserved for The Tauranga Fishery has been the use of the Maoris, they have been closed for the present.

In view of the way in which the beds are depleted in many places soon after they are opened, the question of restricting the quantity of oysters that may be taken by each licensed picker will have to be considered at an early date, and it may also be advisable to increase the present license In order to make these alterations an amendment of the law will be required. Hitherto the department has not interfered with picnickers and others taking a few oysters for their own use, but it is found that some of the beds are so stripped by these persons as to be permanently injured. It is therefore a question whether the privilege should not be withdrawn.

The formation of artificial beds by private persons, for which a good many licenses have been issued, especially in the Pelorus Sound and Tory Channel, has not proved a success, and several of the holders have surrendered their licenses. One company has expended a good deal of money in endeavouring to cultivate oysters in Porirua Harbour, but the venture has proved a failure.

A communication has been received through the Agent-General from Mr. E. W. Streeter, of New Bond Street, London, asking whether the Government would grant him the sole concession to fish for oysters around the islands of New Zealand, and he has been informed that such a concession could not be given to any person.

Weather-reporting.—Captain Edwin continues to make and circulate weather forecasts. A

further supply of barographs and thermometers, and of the International Cloud Atlas, has been ordered from England.

Inspection of Machinery.—The work done during the year is fully described in the Chief Inspector's report, which is appended hereto. The provisions of "The Inspection of Machinery Act Amendment Act, 1900," requiring the drivers of stationary engines and boilers above a certain