During the time the Kauri Timber Company held a license to occupy a site for its sawmill at Kohukohu it reclaimed a piece of foreshore by the deposit of slabs and sawdust. It has now moved its mill, and as its license has expired the reclaimed land belongs to this Department. The breastwork round it is decaying and needs renewing, and as the land is valuable it is advisable that a new breastwork should be constructed and that the land should then be cut up and leased. There is also a wharf abutting on the reclamation which it would pay the Department to repair and lease.

The timber breastwork which the Department constructed on the up-river side of the Kohukohu public wharf has been completed, but it needs extending a little further up, and when this is done it will not cost much to reclaim the foreshore inside the wall. In fact, I think it could be cut up into sections and leased subject to the condition that the lessees should reclaim, as the

land would be valuable, being right in the business part of the township.

The Department has contributed half the cost of an automatic light which the Whangarei Harbour Board has erected at the entrance to Whangarei Harbour, as the light is of benefit to

small coastal vessels seeking shelter.

Blumine Island, at the entrance to Queen Charlotte Sound, was made a reserve for pilot and signal-station purposes many years ago, but as it is not likely to be required for those purposes this Department has consented to the request of the Lands Department that the purpose of the reserve should be changed to one for scenery-preservation.

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For many years past £50 per annum has been paid to the Takaka County Council for maintaining leading-lights at Waitapu. During the year the Council satisfied the Department that this sum was not sufficient to defray the cost, and the amount has therefore been increased to

£75 a year.

Mr. R. C. Honoré, who was paid £10 a year for acting as signalman at Marakopa, has resigned in consequence of leaving the district, and Mr. Willison has been appointed in his

place at the same salary.

Harbour Boards have been constituted by Act of Parliament for Tauranga and Opunake, and the Governor in Council has, under the provisions of the Counties Act, declared that the Mangonui County Council shall exercise the powers of a Board in Mangonui Harbour. These harbours, which have hitherto been administered by this Department, are therefore now under the control of the Boards.

The Governor in Council disallowed a by-law made by the Auckland Harbour Board which provided that questions relating to the Board's business could only be asked upon notice being

given not later than three days before any ordinary meeting of the Board.

The following prosecutions for offences in connection with harbours were instituted by the Department, viz.: W. Bedding, W. Hayward, and J. Morrall, for taking shingle from the foreshore near the mouth of the Waingongoro River without a license: the first two were each fined £3 and costs, and the last-mentioned £1 and costs. W. Fraser and J. Pelly, for taking gravel from the foreshore of Waiheke Island: a fine of £5 with costs was imposed in each case. R. H. Davis, for taking sand and shell from Takapuna beach: a fine of £5 with costs was imposed.

The sum of £1,786 17s. has been collected for pilotage and port charges in respect of harbours under the control of the Department, as compared with £1,946 17s. 10d. during the previous year. A return showing the ports at which these charges were collected, and also the pilotage and port charges collected at ports under the control of Harbour Boards, is appended.

A return of harbour-works approved by the Governor in Council and of licenses to occupy

foreshores is also appended.

Fisheries.

The rock-oyster beds in the Hauraki Gulf and the Bay of Islands were picked by the Department during last year's open season between the 1st May and the 31st October, and 7,728 sacks of oysters were taken and sold for £5,212. The cost of picking and selling, including interest and depreciation on the cost of the oil-launches used by the Inspectors of Fisheries in connection with the picking, was £4,065 2s. 10d., which left a net profit of £1,146 17s. 2d. Part of this profit was used in replanting areas on Rabbit and Long Islands, and at Kikowhakariri and Coromandel, which became depleted of oysters by overpicking before the Department took over the picking.

Of the 7,728 sacks of oysters picked, 756 were sold to persons in Russell, 6,836 to persons in Auckland, 199 in New Plymouth, 154 in Gisborne, 82 in Napier, 37 in Wellington, 28 in Hokitika, 17 in Greymouth, 11 in Westport, 4 in Patea, 2 in Wanganui, 1 in Waitara, and 1 in

Te Kopuru.

Last season we were able to meet the demand for oysters during the whole season, and from the appearance of the beds, which I went over when in the north in February last, I have no doubt that we shall be able to meet all demands for oysters this year. The manner in which the beds are looked after reflects great credit on the Inspectors for the Hauraki Gulf and the Bay of Islands, where the principal beds are situated.

Some of the beds in Hokianga Harbour have been set apart for the use of the Maoris, from

which they may take oysters for food at any time of the year.

A close season has been prescribed for two years for the oyster-beds between Albatross Point

and Urenui Stream.

The oyster-beds in Foveaux Strait yielded sufficient oysters last season to meet the demand. Of the quantity taken, 378,896 dozen, valued at £2,984, were exported to Australia, and 1,143,237 dozen, valued at £7,700, were disposed of in New Zealand. Experience has justified the action of the Department in altering the open season to be from the 1st March to the 31st October instead of from the 1st February to the 30th September.