

which may be necessary for the construction or repair of vessels built in the United States, and all such materials necessary for the building or repair of their machinery, and all articles necessary for their outfit and equipment, may be imported into the United States free of duty under such regulations as the Secretary of the Treasury may prescribe: Provided further that such vessels so admitted under the provisions of this section may contract with the Postmaster-General, under the Act of the 3rd March, 1891, entitled 'An Act to provide for Ocean Mail-services between the United States and Foreign Ports, and to promote Commerce,' so long as such vessels shall in all respects comply with the provisions and requirements of said Act."

The Commissioner of Navigation is specially charged with the decision of all questions relating to the issue of registers of vessels (Act of the 5th July, 1884, section 2) and correspondence concerning the issue of registers to foreign-built vessels will be conducted by or through Collectors of Customs with him. In the case of an application for the registry of a foreign-built vessel under the Act above quoted the following procedure will be observed:—

1. In lieu of the builder's certificate, the original or a certified copy of the ship's foreign register will be filed with the application.
2. The measurement laws of the United States and of the principal maritime nations are substantially the same, and the measurement, preliminary to the issue of the register, should accord substantially with the foreign register and certificate of measurement. Any material difference will be reported to the Commissioner of Navigation.
3. The local Inspectors of steam-vessels on application before the issue of a register will inspect the vessel so far as may be necessary to determine that it is "safe to carry dry and perishable cargo," and if they find the vessel meets this requirement they shall file a certificate that under section 5 of the Panama Canal Act the vessel is safe to carry dry and perishable cargo. This inspection and certificate are to determine the eligibility of the ship to registry under the Act. They do not supersede the full inspection and certificate required subsequently under the inspection laws in the case of steam-vessels.
4. Only foreign-built vessels "not more than five years old at the time they apply for registry" are eligible under the Act quoted. The date of build will be taken from the foreign register.
5. The ownership and citizenship of owners will be established as in the case of vessels built in the United States.
6. In the case of corporate ownership the applicant will furnish a certificate as to the organization of the corporation and the names of its president and managing directors from the Secretary of State of the State with whom the articles of incorporation are filed. The citizenship of the president and managing directors will be established as in the case of individual owners of vessels built in the United States.
7. Every register issued pursuant to the Act quoted shall carry on its face the following notation in red ink: "Issued pursuant to section 5 of the Panama Canal Act, entitling the vessel to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila. This vessel shall not engage in the coastwise trade." This notation must appear in similar manner on all subsequent registers.
8. The provisions concerning foreign-built yachts are also included in section 37 of the Tariff Act of the 5th August, 1909.
9. The provisions relating to free materials, amending sections 19 and 20 of the Tariff Act of the 5th August, 1909, are administered by the Secretary of the Treasury.
10. The provisions relating to the Ocean Mail Act of 1891 are administered by the Postmaster-General.

BENJ. S. CABLE, Acting-Secretary.

New Zealand, No. 376.

SIR,—

Downing Street, 12th December, 1912.

I have the honour to transmit to you, for the information of your Ministers, copies of a parliamentary paper containing the text of a despatch from the Secretary of State for Foreign Affairs respecting the Panama Canal Act, which His Majesty's Ambassador at Washington communicated to the United States Government on the 9th instant.

The Officer administering the Government of New Zealand.

I have, &c.,

L. HARCOURT.

DESPATCH TO HIS MAJESTY'S AMBASSADOR AT WASHINGTON RESPECTING THE PANAMA CANAL ACT.
Sir EDWARD GREY to Mr. BRYCE.

SIR,—

Foreign Office, 14th November, 1912.

Your Excellency will remember that on the 8th July, 1912, Mr. Mitchell Innes communicated to the Secretary of State the objections which His Majesty's Government entertained to the legislation relating to the Panama Canal, which was then under discussion in Congress, and that on the 27th August, after the passing of the Panama Canal Act and the issue of the President's memorandum on signing it, he informed Mr. Knox that when His Majesty's Government had had time to consider fully the Act and the memorandum a further communication would be made to him.

Since that date the text of the Act and the memorandum of the President have received attentive consideration at the hands of His Majesty's Government. A careful study of the Pre-