The dwellinghouses at Puysegur Point are becoming so decayed that it is essential that they should be replaced as soon as possible. The present houses were built when the lighthouse was erected in 1878-79, and owing to the climate being very wet the timber of which they were constructed is becoming rotten. The necessary timber for new houses has been produced, and taken to the lighthouse by the "Hinemoa," and their erection will be commenced as soon as the winter is over. As mentioned in my last year's report, material for new houses for the keepers at Tiritiri has been produced, but owing to the need for economy in consequence of the war their erection has not yet been commenced. The present houses, which are very old, are in such a very bad state that I strongly recommend that if possible a vote for the new ones be taken during the coming session, and that their erection be then proceeded with.

A new revolving cowl has been placed on Cape Egmont tower, a porch erected on the school-house at Nugget Point, a new jib erected on the crane at Cape Brett, a wash-house at Cape Foulwind, repairs executed to the fog-signals at Pencarrow Head and Taiaroa Head, and incandescent lights have been installed at Cape Foulwind and Manukau South Head. These lights are now installed at Cape Maria, Cape Brett, Tiritiri, Cuvier Island, Castle Point, Cape Palliser, Pencarrow Head, Cape Egmont, Brothers, Cape Campbell, Godley Head, Akaroa Head, Jack's Point, Cape Saunders, Nugget Point, Waipapapa Point, Centre Island, Puysegur Point, Kahurangi Point, Farewell Spit, Stephen Island, Manukau Head, and Cape Foulwind. By their installation improved lights have been obtained, and also a considerable saving in the expenditure for oil, as they burn less oil and use kerosene, which is cheaper than paraffin, which was used in the old lights.

One lightkeeper died during the year, three retired on superannuation, eight resigned, one was transferred to the Customs Department, and ten new keepers were appointed.

The following keepers are at the front—J. Robertson, V. H. Rees, and F. Sharrock; and the following are in camp—P. C. T. Burns and J. P. Smith. All these men volunteered.

Owing to members of the office staff being at the front I have only been able to inspect the lighthouses at Godley Head, Akaroa Head, Moeraki, Taiaroa Head, Cape Saunders, Waipapapa Point, Dog Island, Centre Island, Puysegur Point, and Cape Foulwind. Captair, J. Bollons, of the s.s. "Hinemoa," who is also Inspector of Lighthouses, has inspected all the lighthouses in the course of the vessel's periodical visits to them with oil and stores. He has carried out this duty for several years past without any additional salary, and has performed the duty in a most satisfactory manner. The frequent inspections which he is able to make help considerably to keep up the efficiency of the service.

Harbours.

The buoys and beacons in the various harbours controlled by the Department have been overhauled and painted by Captain Bollons, of the "Hinemoa."

An automatic Aga acetone-acetylene light has been installed at the Narrows, in Hokianga Harbour, to mark a dangerous rock in the channel.

A buoy lighted by an automatic acetone-acetylene light has been placed at Beacon Beach, in Kaipara Harbour. The Wigham light in the Kaipara River is not giving satisfaction, and it is advisable that an automatic light should be substituted.

Mr. F. Meyer, driver of the Harbourmaster's launch, has voluntarily gone to the front.

The sum of £1,100 15s. 10d. was collected for pilotage and port charges in respect of harbours under the control of the Department, as compared with £1,227 4s. 1d. during the previous year. A return of the amounts collected at the various ports, and also the amounts collected at ports controlled by Harbour Boards, is appended.

Fisheries.

The Department continued the picking and sale of oysters last season. Owing to the demand being larger than usual it was found necessary to discontinue picking and close the beds at the end of August instead of at the end of October. The quantity picked and sold was 8,172 sacks, which realized £5,692 11s. 6d., and gave a net profit of £1,410 15s. 6d., a portion of which was used to replant depleted areas. Of the quantity mentioned, 713 sacks were disposed of in parcels of about five dozen at 1s., and in parcels of about sixteen dozen at 3s. Of the quantity sold 7,148 sacks were sold in Auckland. 191 at Russell, 56 at Hokianga, 292 at New Plymouth, 251 at Gisborne, 50 at Napier, 12 at Hokitika, 14 at Greymouth, 20 at Westport, 11 at Waitara, 46 at Well ngton, and 5 at Christchurch. The price charged per sack at Auckland was 13s. 6d.

Replanting of depleted areas has been carried out at Russell (Purerua, Kirikiri, and Ti), and oysters have been brought from Manukau and planted in Queen Charlotte and Pelorus Sounds, rock with oysters attached having been brought down by the s.s. "Hinemoa" and placed on suitable parts of the foreshore. It is also intended to bring up oysters from Foveaux Strait this year and plant them in the sea off White Bluff, abreast of the Awatere River, and off Lyttelton, as it is believed that beds can be established there.

The oysters taken in Foveaux Strait last season were 29,209 sacks, valued at £14,628, of which 175,330 dozen, valued at £1,320, were exported to Australia. The export trade has been affected by the reduction of the steamer traffic to Melbourne.

Quinnat-salmon ova was again collected during the year for continuing the stocking of the Hokitika River. The run of salmon up the Waitaki River has been very large this season, and a very large collection of ova is being made. A portion is being sent to the Hokitika River, and the remainder will be used to commence the stocking of the Wairau and Molyneux Rivers, it