Prosecutions have been instituted and fines imposed for breaches of the law regarding seamen in the following cases—viz., the Master of the s.s. "Ayrshire" for carrying four seamen without putting them on the articles; the master of the schooner "Lily" and the master of the s.s. "Storm" for a similar breach of the law in respect of one seaman in each case, and the master of the s.s. "Sterling" for employing an unqualified fireman.

Proceedings were taken against the master of the barque "Onyx" for proceeding to sea from Wellington without a certificated second mate, and he was fined £20 and costs. A prosecution was also instituted against the master of the ship "Loch Garve" for a similar breach of the law, and he was fined £10 and costs. On appeal to the Supreme Court the conviction was quashed on the ground that the Act did not make it an offence for the master to go to sea without the officers required by it. In both these cases the officers required by the Act had been shipped, otherwise the vessels would not have obtained their clearance, and the second mates left between the time of the issue of the clearance and the time of the vessels sailing. In order to prevent cases of this kind occurring in future, provision was made in "The Shipping and Seamen Act Amendment Act, 1905," that the master or owner of any ship who fraudulently engages or suffers to be engaged any duly certificated master, mate, or engineer to serve for the purpose only of enabling the ship to clear, and not for the purpose of the whole voyage, and every such officer who so engages himself, commits an offence; and the fact of quitting the ship before the commencement of the voyage is to be evidence of having been fraudulently engaged unless the contrary is shown. As this Act is now in force, similar cases will in future be punishable by fine.

The report of the Principal Examiner of masters and mates is appended hereto. For certificates of competency, 275 persons passed their examinations and 91 failed. Of those who passed 137 were masters, mates, and engineers of seagoing ships; 81 were masters and engineers of steamships plying within restricted limits; 5 were masters of fishing-boats and of cargo-boats up to 25 tons register; 1 was master of a sailing-vessel up to 25 tons register carrying passengers within restricted limits; 21 were engineers of seagoing ships propelled by oil-engines; and 30 were engineers of similar vessels plying within restricted limits. Certificates of service have been issued to 55 masters under section 27 of the Act of 1903.

It having become necessary to amend the regulations for the examination of masters and mates, advantage is being taken of the opportunity to consolidate them. Provision will also be made in them for the examination of second mates of home-trade ships, which is a new grade of certificate provided for by "The Shipping and Seamen Act Amendment Act, 1905." Certain other alterations which are being made in the regulations are described in the Principal Examiner's report.

Tables showing the names of persons who have received certificates, and the classes and grades

of the certificates issued, are appended.

Registration of Shipping.—Appended are tables showing the vessels registered in New Zealand,

and the number of men and boys employed.

Survey of Ships.—During the year certificates have been granted for 293 steamers, 34 oil-engine vessels, and 7 sailing-vessels. A return of such vessels is appended hereto. In addition to these a large number of vessels have been surveyed for seaworthiness. As regards sailing-vessels, the law only provides for the compulsory survey of those engaged in the intercolonial trade; but I think that it would tend to the safety of life and property if the sailing-vessels engaged in the coastal trade were subject to periodical survey. At present they do not come under any official inspection unless there is reason to believe that they are unseaworthy, and then a special order of detention for survey has to be made in each case.

New regulations for the adjustment of compasses have been made. These provide that the compasses of every foreign-going, intercolonial, and home-trade vessel shall be properly adjusted by a licensed adjuster, or by the master of the ship. The compasses of home-trade vessels, unless commanded by masters who hold foreign-going master's certificates or who have passed the compass syllabus, are to be adjusted annually by licensed adjusters. Every foreign-going, intercolonial, and home-trade ship is to be provided with a compass-error register-book, which is to be examined by an Inspector who must have nautical experience and possess a foreign-going master's certificate. The Superintendents of Mercantile Marine at Auckland, Wellington, Lyttelton, and Dunedin have been appointed Inspectors for this purpose.

Regulations are being prepared under section 220 of "The Shipping and Seamen Act, 1903,"

respecting the loading and stowage of ballast on ships.

Prosecutions have been instituted and fines imposed in the following cases: viz., the master of the s.s. "Cygnet" for not keeping the life-belts in a condition fit for use, and the master of the barque

"Quathlamba" for not keeping the life-saving appliances in proper condition.

Coastal Dangers.—The services of H.M.S. "Penguin" for the work of surveying the coast have been discontinued, and it is proposed that the work shall be taken up next spring by this Department. Inquiries are now being made for a suitable vessel, it being proposed to charter one for the purpose. An officer with experience in work of this nature should be obtained to have charge of the survey. It may be possible to obtain such an officer who has carried out similar work elsewhere and has at the same time had command of the surveying-ship. If this can be arranged the work would no doubt be carried out more economically and efficiently than would be the case if the surveyor was not also master of the surveying-ship.

Captain McDonald, of the s.s. "Waikare," having reported that Bare Island is not correctly charted, Captain Bollons, of the s.s. "Hinemoa," has taken observations, which show that the island lies one mile from the nearest point of the mainland, but that the contour of the coast-line in its vicinity is not accurately laid down. Both Captain Bollons, and Captain David, of the s.s. "Corinthic," agree

in making the bearing between Cape Kidnappers and Bare Island to be S. 1° E.