cargo shipped in the Dominion are to be liable, in addition to any duty payable under the Stamp Act, to a stamp duty equal to 25 per cent. of the passage and freight money; but this provision as to additional stamp duty is not to apply in cases where the current rate of wages ruling in the Dominion is paid.

An Act was also passed last session to amend the Harbours Act, 1908. By this Act the constitution of Harbour Boards has been altered, and provision is made that the elective members are to be elected by the electors of districts, and by payers of harbour dues on ships, and by the payers of harbour dues other than dues on ships. The members appointed by the Governor have been reduced in the case of many of the Boards. Various other amendments which the working of the principal Act has shown to be necessary have been made. The necessary regulations for the election of members of Boards by payers of dues, owners of ships, and by the electors of combined districts were made by the Governor in Council before the elections which were held on the 26th ultimo, and the principal authorities for conducting the elections in the case of combined districts were appointed.

Mercantile Marine Offices.—The engagement and discharge of seamen and the other work performed by the Superintendents and Surveyors of Ships have been carried out efficiently. These duties are increasing, and in the case of Auckland it has become necessary to appoint another Surveyor of Ships, and at Wellington a cadet has had to be appointed to assist in the office. The work will be further increased by the coming into operation of the Shipping and Seamen Amendment Act, 1909. Captain Dykes, Examiner of Masters and Mates and Surveyor of Ships at Auckland, has been appointed an Inspector of Compasses.

A representation has been made to the Department that a steamship-owner is entering into agreements with his crews for a period of three months in order to reduce his liability in cases of illness of the men. There is no power to prevent this, as the law only provides a maximum time for which articles of agreement may run. Should the practice complained of continue, it may become necessary to amend the law to prevent seamen being deprived of the benefits conferred upon them by section 119 of the Shipping and Seamen Act, 1908.

A company belonging to Australia, whose steamers are registered in that Commonwealth, having disputed liability under section 75 of the Shipping and Seamen Act, 1908, to pay the New Zealand current rate of wages during the time its ships are running between ports in the Dominion in the course of their round trips between Australia and New Zealand, a special case was submitted to the Supreme Court, and removed into the Court of Appeal, which decided that such wages must be paid.

Appended is a return of the number of seamen engaged and discharged at the various ports, and of the fees received for engagements and discharges. The transactions exceeded those of the previous year by 5,705, and the fees by £399 5s. 6d.

Returns are also appended showing the accidents to seamen, the amounts paid to sick and disabled seamen under section 119 of the Shipping and Seamen Act, 1908, and the prosecutions of seamen by masters and others for various offences. In connection with the benefits conferred upon seamen by section 119 of the Act, it may be mentioned that the amending Act of 1909 increases these benefits as follows, viz.:—

- (1.) Where the engagement of a seaman expires within one month after the commencement of his illness he is to be entitled to the benefits of the section for a month after the expiry.
- (2.) Seamen of home-trade ships are to receive expenses of maintenance and medical attendance for the same period as they are entitled to wages.
- (3.) In the case of the death of a sick seaman arising out of illness or accident his burial expenses are to be paid by the owner.

Proceedings were taken by the Department against the following persons in connection with seamen: The master of the scow "Altair," for employing a seaman without entering into an agreement with him. A fine of £2 and costs was imposed. V. Richardson, a deserter from a ship, for making a false declaration for the purpose of enabling him to obtain a permit to ship as A.B. He was sentenced to a month's imprisonment. G. Hall, for a similar offence. He received similar punishment. The master of the s.s. "Durham," for taking a third officer to sea without entering into an agreement with him. He was convicted and ordered to pay costs.

Masters, Mates, and Engineers.—The examination of candidates for certificates of competency has been carried out in a very satisfactory manner: 346 candidates passed their examination and 141 failed. Of those who passed, 227 were masters, mates, and engineers of sea-going ships, 48 were masters and engineers of steamships plying within restricted limits, 8 were masters of fishing-boats and cargo-vessels up to 25 tons register, 28 were engineers of sea-going ships propelled by oil-engines, and 35 were engineers of similar vessels plying within restricted limits. Provision is made in the Shipping and Seamen Amendment Act, 1909, for the issue of certificates of service as master and engineer of oil-engine vessels up to 6 tons register to persons who served in such capacities for at least a year before the coming into operation of the Act, and a very large number of applications for these certificates have been received. The provision for these certificates was made because the Act requires the boats referred to to carry certificated master or engineer, whereas previously they were exempt.

The Board of Trade has made a regulation increasing the period of service required to qualify for examination for engineers' certificates from the 1st January, 1915, and a similar regulation will be made by this Department.