SECTION I—STATE AND ADMINISTRATION

The Navy Department is controlled by the Naval Board, established by the Naval Defence Act, 1936.

2. The Board consists of -

The Minister of Defence (Chairman).

A Captain, Royal Navy, with the rank of Commodore (as First Naval Member and Chief of Naval Staff).

A Captain, Royal Navy (as Second Naval Member).

A Commander (S), Royal Navy, with the acting rank of Captain (S), Royal Navy (as Naval Secretary).

Captain J. G. Hewitt, D.S.O., R.N., was relieved as Second Naval Member in June, 1949, by Captain H. Lovegrove, R.N.

3. A state of the Fleet as at 31st March, 1950, is attached as Appendix 1.

SECTION II—GENERAL SURVEY OF THE YEAR

4. "Rotoiti" and "Tutira" arrived at Auckland from the United Kingdom on 25th August, 1949. These are the last two of the frigates purchased from the Admiralty. On passage through the Mediterranean, "Rotoiti" called at Crete. A ceremonial parade was held at the Suda Bay War Cemetery, at which the Governor-General of Crete was present. Messages from His Excellency the Governor-General of New Zealand and the Right Honourable the Prime Minister were read by the Commanding Officer.

5. Although the frigates had been partly modernized before leaving the United Kingdom, a good deal of work remained to be done, and it was therefore decided to pay them off in turn into reserve for modernization. "Hawea" has been completed and

"Kaniere" is now in hand.

6. Pending the construction in the United Kingdom of a surveying ship for the Royal New Zealand Navy, H.M.A.S. "Lachlan" has been obtained on loan from the Royal Australian Navy for a period of three years. She commissioned for service in the Royal New Zealand Navy on 5th October, 1949, and has now completed a survey of the Foveaux Strait from Bluff Harbour to Nugget Point and commenced survey of Cook Strait and Port Nicholson approaches.

7. In August, 1949, the New Zealand Government informed the United Kingdom Government that they would provide up to three frigates if required to assist in the defence of Hong Kong. Necessity has not yet arisen for this movement, but the offer

still holds good.

8. Arrangements have been made with the Admiralty for two New Zealand frigates to serve on the Mediterranean Station for six months in exchange for two frigates of the Royal Navy who will serve on the New Zealand Station. "Taupo" and "Hawea" sailed for the Mediterranean on 3rd April, 1950.

9. The New Zealand Squadron visited Australian ports in October, 1949, and carried out combined exercises with the Australian Fleet. Ships of the Australian Fleet returned the visit in February–March, 1950, and combined exercises were again carried out.

- 10. The Admiralty have arranged for three submarines of the Royal Navy to be based on Australia to give anti-submarine training to the Australian Fleet and New Zealand Squadron. One of these submarines accompanied the Australian Fleet during its visit to New Zealand in February-March, 1950, and it is anticipated that further visits will be made later in the year. All three submarines arrived at Sydney by January, 1950, and are based there.
- 11. It deserves remark that these combined exercises have proved of important value, providing training at all levels under realistic conditions. The Australian Fleet, comprising an aircraft carrier, cruiser, and destroyers, the New Zealand Squadron, comprising a cruiser and frigates, combined with Royal Navy submarines, makes a