complementary force well suited to both advanced strategic and tactical training and to the elementary seagoing experience and instruction to new recruits and reservists. Inter-Squadron and inter-ship rivalry and competition enhance efficiency and morale. Valuable co-operation in these exercises was afforded by both the Royal New Zealand Air Force and Royal Australian Air Force.

12. Compulsory military service was introduced during the year. As naval requirements are comparatively small, it has been decided that the most economical and efficient method of conducting part-time training would be to use the existing Royal New Zealand Naval Volunteer Reserve organization. The initial fourteen weeks' full-time training will be carried out in the training establishment "Tamaki." Further remarks on this subject are contained in Section IV—Reserves.

13. A link with the early days of the New Zealand Navy was lost in July, 1949, when the hulk of the old training cruiser. Philomel "was towed out to sea and sunk.

14. A very successful Navy Week-end was held at Auckland from 20th to 22nd January, 1950, with a view to encouraging recruiting and benefiting naval welfare funds. Attendances totalled 12,614. It is hoped to repeat the week-end in future years.

15. An Admiralty Mission consisting of Rear Admiral (E) L. A. Taylor, C.B.E., and Mr. L. E. Hoggan, O.B.E. (M., Eng.), M.I.E.E., visited New Zealand between April and June, 1949, at the invitation of the Government to investigate the working of the Naval Dockyard, with particular reference to management, labour, and repayment work. The Mission rendered a comprehensive report and the great majority of their recommendations have been implemented.

16. On 1st April, 1949, the Government took over the oil-fuel installation at Suva

previously the property of the Admiralty.

- 17. A summary of the movements of the Squadron during the past year is attached as Appendix II. Changes that have taken place in the composition of the Fleet apart from those mentioned above are—
 - (a) The trawler "Kiwi" was paid off into reserve on 7th December, 1949.
 - (b) It has been decided to retain the tug "Toia" in naval service. Consideration is being given to converting her from coal to oil fuel for use as an ocean-going tug.
- 18. The French warship "Francis Garnier" visited Auckland in September, 1949, and March, 1950.

SECTION III -PERSONNEL AND WELFARE

19. Comparative statements of naval personnel borne on the 31st March, 1949, and 31st March, 1950, are shown in Appendix III.

20. The number of re-entries include 22 ex Royal New Zealand Navy ratings recruited in New Zealand and 291 ex Royal Navy ratings recruited in the United Kingdom.

21. Recruits.—The numbers of male candidates called for examination and rejected for various reasons in the past two years are shown below:—

		1949-50.	1948-49.
Called for examination	 	416	768
Rejected—			
Medically unfit	 	84	107
Dentally unfit	 	9	38
Educationally unfit	 	78	177
Other reasons	 	81	121
Total	 	252	443

The numbers of recruits rejected on medical grounds still remains approximately 20 per cent. of the total applicants.