

Men enrolled in Classes A (Active), B, and C are required to come up for training during peace as laid down in the regulations made by Order in Council of the 10th July, 1922. W/T ratings (Class C) are being selected from volunteers amongst the Telegraph staff of the Post and Telegraph Department. The personnel manning the radio-stations in New Zealand and the islands have been given short courses in naval procedure on board H.M. ships as opportunities have offered.

It is hoped, within the next few months, to get out regulations governing the enrolment of officers in the Reserve, and then to commence the entry of such number as will be required for auxiliary services in time of war, mainly from amongst those who served in the late war, whose names now appear on the New Zealand Naval Emergency List. This, it is hoped, may materially assist in speeding-up the enrolment of men in the Reserve.

VII. REFITS OF H.M. SHIPS.

The "Chatham" has now been nearly three years without refit at a naval dockyard and has no defects of any note. During this period all defects, alterations, and additions have been effected by ships' labour with the resources of the Auckland Harbour Board's workshops attached to the Calliope Dock, Devonport, under an agreement between that Board and the Admiralty, by which the latter have, since 1909, been paying a subsidy of £5,000 a year. H.M. ships have priority use of the dock and workshops. This has enabled a repairing-base to be established at Auckland under the superintendence of the Commanding Officer of the "Philomel," where H.M. ships can be repaired by ships' labour at the cost only of material required for effecting repairs and the Auckland Harbour Board's actual out-of-pocket expenses whilst ships are in dock.

Since she was altered and refitted for her present service in 1920 the "Philomel" has been kept in repair similarly to the "Chatham," entirely by ship's labour.

The total expenditure on these two ships during the last financial year amounted only to £1,480. This reflects the highest credit on the skill of the technical officers and ratings concerned, and on the foresight of the former in having minor defects made good as they arise, instead of waiting for the ship's next docking and refit, when such defects might have developed into serious ones.

The United States gunboat "Ontario" was docked and overhauled at this yard in May last, the work being performed by contract labour under the supervision of the technical officers at the refitting-base. In this way I was able to render some return for the ready assistance of His Excellency the Governor of American Samoa in arranging for the landing of small stocks of coal for use of H.M. sloops at the Naval Yard at Pago Pago.

The Defence vessel "Lady Roberts" was similarly docked and repaired at the yard in June last, at a cost of £365, for the service of the Administration of British Samoa.

VIII. RELIEF OF TIME-EXPIRED R.N. RANKS AND RATINGS: TECHNICAL COURSES FOR LOCALLY ENTERED RATINGS.

The officers and ratings who originally left England in the "Chatham" in October, 1920, for service in that ship and "Philomel" had volunteered for three years, and, except for some six officers and 108 ratings who have volunteered to continue to serve in the New Zealand Naval Forces for a further short term, had to be sent to England or be discharged in New Zealand, as they might elect, in time to complete the foreign-service leave to which they are entitled by the 30th September next. This has necessitated sending Home fifteen officers and 142 ratings, most of whom left New Zealand by the s.s. "Ionic" on the 29th June, their reliefs, on loan from the Royal Navy, having arrived by the s.s. "Remuera" on the 15th June. A further sixty-eight ratings are taking their discharge in the middle of August and settling temporarily or permanently in New Zealand, their reliefs arriving by the s.s. "Corinthic" about the same time. Those taking their discharge in New Zealand are required to join the New Zealand Royal Naval Reserve.

In filling vacancies caused by the discharge of men whose engagements have expired, due regard has been paid to the possibility of doing so by men entered locally. At present New-Zealanders trained as seamen and stokers fill all the subordinate posts in their respective branches in H.M.S. "Chatham," where their training is continued. A certain number of these ratings will shortly be eligible to be sent to the technical instructional schools to qualify for specialist ratings and advancement, and should go to England for this purpose very shortly. After completion of courses they should be drafted, with the greatest advantage to themselves and to the New Zealand Division of the Royal Navy, to the battleships of the Atlantic Fleet, where they should remain until the oil-burning cruiser relieving H.M.S. "Chatham" is ready to leave England.

A further larger number will be similarly qualified by the time the "Chatham" proceeds to England next year, and can then undergo their courses.

In this way the numbers required from the Royal Navy should in a few years be limited to the officers and senior petty officers required for manning the New Zealand Division of the Royal Navy—that is, so far as the seamen and stoker branches are concerned.

It will be observed from the recruiting return embodied in Section V that entries in branches in which trade qualifications are required have been somewhat restricted. This is largely due to the fact that these men can command better wages ashore, but mainly because those who present themselves for entry fail to reach the high standard required by the Naval Service. To this high standard of technical training received by both officers and artificer and artisan ratings entering the Royal Navy can mainly be attributed the fact that defects of all ships on the station have been practically negligible, and have been made good at a minimum of expense (*vide* Section VII). It would be most detrimental to efficiency to countenance any lowering of the accepted Royal Naval