

5. Whilst at Melbourne opportunity was taken to hold informal discussions on naval subjects with the members of the Commonwealth Naval Board ; and at Sydney, Jervis Bay, and Melbourne I was courteously invited to inspect the training establishments of the Royal Australian Navy.

6. H.M.S. "Dunedin" carried out the annual musketry course at Wellington during the latter part of November up to the middle of December. I am greatly indebted to the General Officer Commanding and to the military authorities for their courtesy in permitting H.M. Navy to use Trentham Camp and rifle ranges, and for the kindness which is always shown to officers and men during their stay. The course is highly beneficial, and is greatly appreciated by all concerned.

7. On Wednesday, 26th November, on the departure of Lord Jellicoe from New Zealand, H.M.S. "Dunedin" and "Veronica" proceeded to sea to pay naval honours to His Excellency by firing a final salute to his flag in Cook Strait. On this important occasion I was honoured by the presence of His Majesty's Ministers in New Zealand, the Speaker of the House of Representatives, and the General Officer Commanding, as my guests on board H.M.S. "Dunedin"; and it afforded me great pleasure that they should have been able to witness the naval ceremony, and at the same time to inspect the new flagship. By a fortunate coincidence the first batch of New Zealand ratings returned to Wellington from their training in England on the day of Lord Jellicoe's departure, and at his special request proceeded to Government House for his inspection. His Excellency warmly congratulated the men on the high standard attained by them during their courses, and also upon the excellent reports he had received of their conduct and *morale* from the officers who were responsible for their training in England.

8. H.M.S. "Dunedin" proceeded to Auckland towards the latter end of December to give Christmas leave and refit.

9. On the 22nd January, 1925, the command of H.M.S. "Dunedin" was transferred temporarily to Commander the Hon. Guy Stopford, Royal Navy, during my absence from the Dominion on a visit to Singapore. After carrying out drills and exercises in the Hauraki Gulf, the ship proceeded on a prolonged cruise round New Zealand ports, visiting Russell, Port Fitzroy, Tauranga, Auckland, Napier, Wellington, Picton, Nelson, Wanganui, New Plymouth, Westport, Greymouth, Milford Sound, Bluff, Oban, Patterson's Inlet, Oamaru, Timaru, Akaroa, and Dunedin. The ship was thrown open to visitors on every possible occasion, but it was most unfortunate that owing to the incidence of the epidemic of infantile paralysis it was not possible for those under sixteen years of age to have an opportunity of inspecting the ship. The greatest kindness and hospitality was shown to both officers and men, and I desire to express my warmest thanks to the Mayors and citizens of the various ports visited, and to the branches of the Navy League, for all their hospitality and arrangements so kindly made by them for the entertainment of the officers and ship's company. My broad pendant was rehoisted on board the flagship at Dunedin on the 16th April on my return to the Dominion from official duty.

III. H.M.S. "DIOMEDE."

10. In January, 1925, a definite offer was made by the Imperial Government of the loan of the cruiser "Diomedé" as the second cruiser of the New Zealand Division. The offer was accepted by the Government, and it is expected that this ship will be commissioned about the 1st October, 1925, and will reach the Dominion at the end of the year. H.M.S. "Diomedé" is one of the latest types of cruiser built, and has completed one commission on the China Station; she is very similar to H.M.S. "Dunedin." The addition of this vessel to the New Zealand Division will, in my opinion, be of great advantage, as, in addition to strengthening the naval forces of the station, the advent of a second cruiser will be invaluable in increasing efficiency by promoting competition between two vessels of this class. I understand that H.M.S. "Diomedé" will be commanded by Captain J. S. M. Ritchie, Royal Navy, who is a native of this Dominion.

IV. H.M.S. "PHILOMEL."

11. H.M.S. "Philomel" has continued her duties as training-ship and depot-ship at Auckland.

12. The removal of the machinery and boilers of this ship has been commenced during the past year, but, as this work is only undertaken when ratings are not required for more urgent duty, will take some time to complete. It is proposed to connect the ship to the shore lighting-system at Devonport, as by this means considerable economy will be effected.

13. The training of recruits continues to be carried out in a most satisfactory manner, and meets with my entire approval.

V. BASE AT AUCKLAND.

14. The first tank for the storage of oil fuel is now complete; a second has been ordered, and the material should soon be in the Dominion, together with the pumping-machinery, &c. It is hoped that the whole installation will be completed before the end of the financial year 1925-26.

15. A storehouse for a ready-use stock of naval and victualling stores has been erected at Devonport, and it is proposed to fill this during the present financial year. It is anticipated that this storehouse will result in a considerable economy.

16. It is proposed to extend the present berthing accommodation at Devonport, in order to provide more space for ships to lie alongside when refitting. With the advent of the cruiser "Diomedé" and oiler "Nucula," this step has become essential, in order to avoid delay and consequent expense engendered by transporting men and material for making-good defects between the ships and the workshops on shore.