

33. The results of the examinations passed by the ratings concerned were very gratifying both to the Naval Board and the men themselves; each of the seamen ratings obtained either a gunnery or torpedo rating, and those of the other branches qualified for advancement to higher substantive rating.

34. A second batch of thirty-five ratings proceeded to England in H.M.S. "Chatham" at the end of May, 1924, and commenced courses about the end of August. The results of the training of this party are not yet available, but, by the interim reports received, satisfactory progress is being made and there is every reason to believe that their performances will equal those of the earlier party.

35. A further number of ratings is at present undergoing preliminary training locally, with a view to being sent Home about the end of 1925.

## XII. EXPENDITURE DURING LAST FINANCIAL YEAR.

36. The sums voted for naval defence for 1924–25, and the amounts expended, were as follows:—

Item.	Voted.	Expended.	Remarks.
	£	£	
Full pay and wages, extra pay, &c.	133,500	131,612	
Administration ..	9,400	204	Change in Treasury method of dealing with remittances.
Victualling, clothing, and mess-traps	28,475	34,858	Claims not expected to materialize until 1925–26 received and paid.
Medical services ..	1,650	1,708	
Repairs, docking, &c. ..	11,100	6,629	Repairs less extensive than anticipated.
Fuel and lighting ..	61,170	57,362	Claim for fuel used by "Dunedin" on passage out not yet received.
Stores .. ..	41,000	17,485	Several large claims not yet received.
Works .. ..	26,910	14,050	Second oil-tank not completed, material not having arrived.
Reserves .. ..	4,600	1,362	Delay in inauguration of Reserves.
Effective services ..	13,337	15,891	Freightage on reserve ammunition and stores from previous year dealt with in current year.
Non-effective services ..	26,370	26,241	
Contingencies and claims from Admiralty	2,000	2,671	Prize-money, which was not allowed for, paid on behalf of Admiralty.
Gross totals .. ..	359,512	310,073	
Credits .. ..	25,677	26,717	
Net totals.. ..	£333,835	£283,356	

## XIII. ESTIMATES FOR 1925–26.

37. Estimates for the current financial year have been framed with the object of giving effect to the views expressed by the Admiralty as to the lines which, in their opinion, Dominion naval policy should follow.

38. These views are recapitulated below under the headings given by the Admiralty, in the order of their importance, with a statement of the proposals for the current financial year.

(i.) *Maintenance of Nucleus of Seagoing Squadron capable of Expansion by Cruisers and Ocean-going Submarines.*—The New Zealand Government have accepted the responsibility for the maintenance of a second cruiser, and (as stated in paragraph 10) H.M.S. "Diomedé" is expected to reach the station about the end of 1925. This additional ship will be able to undertake cruising duties in 1926, and it will thus be possible for the various ports on the station to be visited more frequently.

(ii.) *Provision of Oil Reserves in the Dominion.*—The state of the two oil-tanks at present authorized is given in paragraph 14, the first tank being completed. It is hoped that before the end of the present financial year the second tank and pumping-apparatus will be in place, and that one tank will be filled, thus inaugurating the naval reserve of oil fuel.

(iii.) *Provision of Bases, Docks, Depots, and Reserves of Stores and Fuel for War-vessels.*—The development of the Naval Base at Auckland is being carried out gradually; provision is made in the estimates for the current financial year for additional berthing-accommodation and for a small reserve of stores. As the sea-going ships of the New Zealand Division of the Royal Navy will both be oil-burning cruisers, arrangements have been made by which the stocks of coal hitherto maintained in the islands will be taken over by the Imperial Admiralty for the use of the two sloops "Laburnum" and "Veronica," which are coal-burning vessels.

(iv.) *Provision of Local Protection of Trade and Storage of Guns for Merchant Ships and their Escorts, and providing Trained Personnel for them.*—It is proposed to erect a small storehouse at