4. The usual magazine repairs and maintenance have been carried out, but the construction of the 4.7 in. Q.F. magazine has been postponed owing to the present financial stringency. In a like manner the gate-lifting gear and the further construction of concrete tracks have been postponed, but it is hoped that it may be possible to complete them in 1932-33, the existing arrangements making it impossible to keep up to date with periodical examinations.

5. The ·22 in. rifle range in the Base has been modified to enable annual pistol practices to be carried out. This permits ratings belonging to the Base to perform their pistol practices on the spot, and has obviated the necessity for the personnel of H.M.S. "Diomede" to carry out their pistol training in Wellington in April, 1932, with a consequent reduction in the length of time to be spent at

Trentham Camp.

6. The six reserve torpedoes, lately maintained at Sydney, together with their warheads, have now been transferred to the Base. In future it is intended that all maintenance work on the Squadron's torpedo reserve shall be carried out at the Base, with the exception of those large overhauls which necessitate return of the weapons to torpedo depots in England. This arrangement is desirable from the point of view of organization, and will also prove more economical in overhaul costs.

7. It has been decided to install a 60 kw. motor generator at the Base for the provision of light and power to the cruisers when lying alongside. This will remove the necessary for keeping steam

for ships' dynamos, and will prove a source of considerable saving in running-costs.

8. Considerable improvements have been made during the year to the electrical wiring arrangements throughout the Base.

9. The items requiring Base work in the refits of ships have been all carried out satisfactorily.

X. VISITS OF FOREIGN WARSHIPS.

The only visit of a foreign warship to New Zealand during the year was by the Chilian Training-ship "General Baquedano," which remained at Auckland from the 10th to 27th August.

All ships of the New Zealand Squadron were at the time cruising in the Pacific.

2. H.M.A.S. "Canberra" (Commodore L. S. Holbrook, M.V.O., R.N.) Flagship of the Australian Squadron, visited Suva from the 24th-29th September, 1931, during the course of a cruise in the Western Pacific. H.M.S. "Veronica" was present in port during a portion of this period.

XI. DRILLS, EXERCISES, AND TRAINING AFLOAT, AND GENERAL REMARKS.

The normal drills and exercises in the New Zealand Division have been carried out as far as

circumstances have permitted.

In view of the general need for economy a temporary reduction this year in the full charge firings carried out by H.M.S. "Diomede" has been effected. It is, however, considered that this reduction can only be accepted for a limited period in the interests of efficiency, and it must be appreciated that the Admiralty scale of firings, already reduced on grounds of economy, is the minimum that is necessary for the proper training of personnel.

2. The lack of cruiser competition has been seriously felt owing to the absence of H.M.S. "Dunedin" from the Station throughout the financial year. Competitive drills and exercises are essential to efficiency, and do much to raise the general standard of ships. The presence of only one cruiser further precludes the possibility of any tactical or strategical training, and it was therefore most satisfactory that an opportunity of meeting the Royal Australian Squadron occurred in March, 1932. Full use of this opportunity was made, and a satisfactory strategical exercise was carried out with the units of the Australian Navy during "Diomede's" approach to Sydney. The exercise was necessarily of a simple nature, and was much restricted by fuel limitations, but it provided the first opportunity during the year of manœuvres in conjunction with other cruisers. The results are considered to have been most beneficial.

3. Co-operation with the New Zealand Permanent Air Force at Hobsonville has been most successful, and their services, willingly provided at all times, have been of great value. Exercises with aircraft and anti-aircraft firings are carried out on all occasions when H.M.S. "Diomede" is exercising in the vicinity of Auckland. Aircraft spotting during torpedo-running practices is also

an additional safeguard against the possible loss of these weapons.

4. Unfortunately, no combined operations with the New Zealand Military Forces have been possible

during the year.

5. H.M. ships have continued, as heretofore, to augment hydrographical information whenever opportunity has been presented. H.M.S. "Diomede" by arrangement with the British Air Ministry is also carrying out routine observations of the upper air currents with balloons and, in conjunction with many other ships, is gradually providing additional data regarding the Pacific Ocean surface currents.

6. During the year all vessels of the New Zealand Squadron have carried out their annual cruises according to programme, and there has been no incident of major importance to disturb the routine of visits. It will be seen in the foregoing sections of this report that the greater portion of the New Zealand Station in the Pacific Ocean has been covered by H.M. Ships "Diomede," "Veronica," and In addition, every port of importance around New Zealand has been visited, many of them more than once.

In passing it is a pleasure to record the universal courtesy extended to H.M. ships by the Harbour Boards of the ports visited and their staffs. Every facility has invariably been provided and ready assistance has been rendered at all times. The residents of New Zealand's seaports have, as ever, been most hospitable both to officers and men, who have many pleasant memories of the kindnesses and entertainment extended to them. In return, reciprocal hospitality and entertainment has as far as possible been offered by the ships concerned. It must be borne in mind, however, that such entertainment by ships has always been the private concern of officers and men; there are no public funds provided for such purposes, and reductions in pay, have, of necessity, called for some curtailment in the extent of the Navy's traditional hospitality.