The Honourable the Minister of Defence.

SIR,—

I have the honour to address to you the following report on the Naval Forces of the Dominion and the proceedings of the New Zealand Station during the year 1st April, 1937, to 31st March, 1938.

SECTION I.—STATE.

2. On 1st April, 1938, the New Zealand Division consisted of:—
   H.M.S. "Achilles" (broad pendant of the Commodore Commanding New Zealand Station);
   H.M.S. "Leander."
   H.M.S. "Philomel," non-seagoing training and depot ship at Devonport, Auckland.
   H.M.S. "Wakakura " trawler.

3. Two escort vessels, H.M. Ships "Leith" and "Wellington," are maintained on the Station by the Imperial Government under the orders of the Commodore Commanding.

4. A surveying ship, H.M.S. "Endeavour," is employed on surveying duties in New Zealand, cost of fuel and refit being borne by the Marine Department, New Zealand, but other charges by the Imperial Government.

SECTION II.—PERSONNEL (ACTIVE SERVICE).

5. On the 31st March, 1938, there were 6 officers and 622 ratings borne on the active list who had been entered, or recruited in New Zealand. An overall increase of 31 New Zealand ratings borne as compared with the numbers on 31st March, 1937. One officer and 21 Imperial ratings had been accepted for permanent service in the New Zealand Division of the Royal Navy. The ships' companies were completed by 71 officers and 669 ratings loaned from the Imperial Service.

6. The ratings entered during the year included 44 boys for the Seaman and Communications Branches, 33 stokers, and 13 ratings for miscellaneous branches, making a total of 90. Recruiting has continued to be very satisfactory in the Seaman and Stoker Branches, but difficulty is still being experienced in obtaining suitably qualified skilled tradesmen for the Artificer Branches. To overcome this difficulty the Board have had under consideration a project to introduce a scheme for the training of naval apprentices.

7. Sixty-one New Zealand ratings took their discharge during the year.
8. A large number of New Zealand ratings have been sent during the year to establishments of the Royal Australian Navy, and a very limited number to Royal Naval establishments in the United Kingdom, for special courses of instruction in technical subjects.

9. Interchange Batch No. 1 of New Zealand ratings returned from service in the Royal Navy in February. The total number of New Zealand entries now serving under this scheme is 58.

10. The health and discipline of the ships' companies have been satisfactory.

11. One New Zealand rating (Acting Petty Officer J. I. Harray) was selected for promotion to the rank of Acting Sub-Lieutenant in the Royal Navy, and has been transferred to that service as from the date of his promotion.

12. The following advancements of New Zealand ratings have been made during the review. (previous year in brackets) —

<table>
<thead>
<tr>
<th>New Zealand Ranks</th>
<th>Advancements Made</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Able Seaman to Acting Leading Seaman</td>
<td>11 (8)</td>
<td></td>
</tr>
<tr>
<td>Leading Seaman to Acting Petty Officer</td>
<td>5 (6)</td>
<td></td>
</tr>
<tr>
<td>Petty Officer to Chief Petty Officer</td>
<td>1 (1)</td>
<td></td>
</tr>
<tr>
<td>Telegraphist to Acting Leading Telegraphist</td>
<td>4 (1)</td>
<td></td>
</tr>
<tr>
<td>Leading Telegraphist to Acting Petty Officer Telegraphist</td>
<td>2 (1)</td>
<td></td>
</tr>
<tr>
<td>Signalman to Acting Leading Signalman</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Leading Signalman to Acting Yeoman of Signals</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Yeoman of Signals to Chief Yeoman of Signals</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Stoker, 1st Class, to Acting Leading Stoker</td>
<td>16 (11)</td>
<td></td>
</tr>
<tr>
<td>Leading Stoker to Acting Stoker Petty Officer</td>
<td>5 (1)</td>
<td></td>
</tr>
<tr>
<td>Stoker Petty Officer to Chief Stoker</td>
<td>1 (1)</td>
<td></td>
</tr>
<tr>
<td>Leading Writer to Petty Officer Writer</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Supply Assistant to Leading Supply Assistant</td>
<td>2 (2)</td>
<td></td>
</tr>
<tr>
<td>Leading Supply Assistant to Supply Petty Officer</td>
<td>1 (1)</td>
<td></td>
</tr>
<tr>
<td>Cook to Leading Cook</td>
<td>2 (1)</td>
<td></td>
</tr>
<tr>
<td>Leading Cook to Petty Officer Cook</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Petty Officer Cook to Chief Petty Officer Cook</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Officers' Cook, 2nd Class, to Officers' Cook, 1st class</td>
<td>1 (1)</td>
<td></td>
</tr>
<tr>
<td>Leading Steward to Petty Officer Steward</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Shipwright to Chief Shipwright, 2nd class</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Engine-room Artificer to Acting Chief Engine-room Artificer, 2nd class</td>
<td>1 (1)</td>
<td></td>
</tr>
<tr>
<td>Stoker Petty Officer to Mechanician, 2nd class</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Stoker Ratings to Acting Stoker . Petty Officer (provisionally selected as Mechanician Candidates)</td>
<td>8 (8)</td>
<td></td>
</tr>
</tbody>
</table>

SECTION III.—CIVILIAN EMPLOYEES.

13. Seven apprentices for various trades were entered during the year, making a total of fourteen now under training at the Naval Base.

14. The average number of civilians employed during the year has been 227.
15. An agreement governing the conditions of service of civilian workmen employed at the Naval Base was signed on the 23rd August, 1937, by representatives of the Public Service Commissioners, the Navy Department, and the trade-union officials concerned.

SECTION IV.-PERSONNEL, ROYAL NAVAL RESERVE (N.Z.D.).

16. The strength of the Royal Naval Reserve on 31st March, 1938, was—officers 13, ratings 144, an increase of 1 officer and 33 ratings in the year.

SECTION V.-PERSONNEL, ROYAL NAVAL VOLUNTEER RESERVE, (N.Z.D.).

17. The total numbers borne on 31st March, 1938, were as follows: Officers, 64; ratings, 548. Of these, 5 officers and 10 men are on the supernumerary lists.

18. Approximately 51 per cent. of the executive officers and 69 per cent. of the men performed obligatory training in H.M. ships. Last year percentages were 60 per cent. and 59 per cent. respectively. Voluntary training was carried out by 17 officers and 174 men.

19. The divisional headquarters at Auckland, Wellington, and Canterbury have been maintained in an efficient state. Plans and estimates have been considered for the provision of a new headquarters for the Otago Division at Dunedin. It is intended to seek authority for putting in hand work on this much-needed building in the near future.

20. Officers and men have embarked in the Imperial escort vessels "Leith" and "Wellington" for combined mine-sweeping exercises in conjunction with H.M.S. "Wakakura" on two occasions and derived considerable benefit from this practical training.

21. Interdivisional tournaments were carried out during the Labour Day week-end in October. The Wellington Division visited Auckland, and the Otago Division visited Canterbury. These tournaments have been made possible by the grant of £300 per annum now available to encourage interdivisional competitions.

SECTION VI.-PROCEEDINGS OF CRUISERS OF THE NEW ZEALAND DIVISION.

H.M.S. "Achilles."

22. On ?? April, 1937, H.M.S. "Achilles" (broad pendant of the Commodore Commanding New Zealand Station was at sea taking part in a combined strategical exercise with ships of the Royal Australian Navy who were on passage from Australia to New Zealand. She returned to Wellington on 3rd April ...... in company with ships of the Royal Australian Navy from 3rd to 7th April at Wellington .... to 21st April at Auckland.

23. With [H.M. Ships] "Leith" and "Wellington" in company, a programme of exercises was carried out in Hauraki Gulf from 7th to 16th April, and with H.M.S. "Leith" in company between 21st and 28th .... Opportunity was also taken of the presence of the Royal Australian Navy ships to carry out ... which proved of much value.

[Transcriber's note: paras 22 and 23 have illegible portions in the original.]

24. Normal Easter leave was given to the ship's company during May, and H.M.S. "Achilles" sailed on 12th June for the Pacific Islands, visiting Sunday Island, Nukualofa, Danger Island, Manahiki, Rakahanga, Penrhyn, Malden Island, Starbuck island, Christmas Island, Fanning Island, Honolulu, Phoenix Group, Nukunono and Suva, returning to Auckland on 27th August.

25. During the period 27th August to 3rd November the ship underwent her biennial refit at Devonport and was docked.
26. On 3rd November H.M.S. "Achilles" left for a cruise. She visited Lyttelton, Akaroa, and Wellington, and then, with H.M. Ships "Leander," "Leith" and "Wellington" in company, carried out a programme of exercises, returning to Auckland on 8th December to give Christmas leave to the ship's company.

27. On 20th January, 1938, H.M.S. "Achilles," with H.M.S. "Leander" in company left for Australian waters to represent New Zealand at the sesquicentennial celebrations of New South Wales at Sydney from 25th January to 7th February. H.M.S. "Leander" parted company on 22nd January and rejoined at Jervis Bay on 9th February.

28. From 7th February to 15th February an intensive gunnery and torpedo exercise period was carried out in company with the Royal Australian Navy. This was followed by a strategical exercise from 15th to 17th February.

29. H.M.S. "Achilles" then visited Melbourne for a week before returning to New Zealand to visit the West Coast Sounds, Stewart island, Bluff, Dunedin, Auckland and Russell.

30. On 30th March, H.M.S. "Achilles" left Russell for Wellington to enable her ship's company to undergo the annual musketry course.

H.M.S. "Leander."

31. H.M.S. "Leander" commissioned at Devonport, England, for service in the New Zealand Division on 30th April, 1937. She represented the Dominion at the review of the Fleet on the occasion of His Majesty's Coronation. Two of her officers and 18 New Zealand ratings (including one R.N.V.R. officer and four ratings) took part in the Coronation procession.

32. After attachment for training to the Second Cruiser Squadron, Home Fleet, H.M.S. "Leander" left England on 2nd July for New Zealand, coming out by way of Jamaica, Balboa and Pitcairn Island (which she was the first warship to visit for twenty-six years), and arriving in Auckland on 18th August, 1937.

33. After giving leave to her ship's company during September, H.M.S. "Leander" left for her first cruise to New Zealand ports on 4th October. She visited Napier, Dunedin, Bluff, West Coast Sounds, New Plymouth, Lyttelton, Akaroa and Wellington, returning to Auckland on 27th November.

34. A programme of exercises, in company with H.M.S. "Achilles," was carried out during the period 29th November to 4th December, and the ship then returned to Auckland to dock and give Christmas leave.

35. On 20th January, H.M.S. "Leander," in company with H.M.S. "Achilles," sailed for Australian waters. She visited Melbourne, and later took part in the exercise period at Jervis Bay and in the strategical exercise with the Royal Australian Squadron.

36. From 18th February to 24th February H.M.S. "Leander" represented New Zealand at the Hobart Regatta Centenary celebrations.

37. H.M.S. "Leander" returned to Auckland on Monday, 28th February, and arrived in Wellington on 4th March for the annual musketry course at Trentham Camp.

SECTION VII.-PROCEEDINGS, H.M. ESCORT VESSELS AND H.M.S. "ENDEAVOUR."

38. H.M.S. "Leith" (Captain L. C. P. Tudway, D.S.O., D.S.C., R.N.) was at sea on 1st April, 1937, taking part in the strategical exercise with ships of the Royal Australian Navy. The ship returned to Auckland on 28th April to prepare for the annual cruise to the Pacific Islands.

39. H.M.S. "Leith" represented the Royal Navy at the Coronation celebrations held at Napier and sailed for the Pacific Islands on 7th June, visiting Suva, ports in the New Hebrides and Solomon Islands, Nauru and Ocean Islands, and ports in the Gilbert and Ellice Islands, Samoa and Tongan Group, returning to Auckland on 18th September.
40. During the remainder of the year the ship has visited the following New Zealand ports: Whangarei, Tauranga, Gisborne, Picton, Timaru, Oamaru, Dunedin, Port Chalmers, Bluff, Stewart Island, West Coast Sounds, Nelson and Wellington for the annual musketry course at Trentham Camp.

41. H.M.S. "Wellington" (Commander G. N. Loriston-Clarke, R.N.) also took part in the strategical exercise with ships of the Royal Australian Navy, and returned to Auckland on 16th April to prepare for her annual cruise to the Pacific Islands.

42. H.M.S. "Wellington" sailed from Auckland on 4th May, and represented the Royal Navy in the Coronation celebrations at Suva: She then visited ports in Phoenix Group, Tokelaus, Samoa, the Society Islands, and Cook Group, returning to Auckland on 3rd August.

43. H.M.S. "Wellington" arrived in Wellington on 23rd August to recommission with a new crew who arrived from England on 25th, and during the remainder of the year 1937 has visited the following New Zealand ports: Coromandel, Port Fitzroy, Mangonui; Whangaroa, Russell, Picton, Nelson, New Plymouth and Wellington for the annual musketry course at Trentham.

44. On 4th January, 1938, H.M.S. "Wellington" proceeded to Suva for service with His Excellency, the High Commissioner for the Western Pacific, returning to Auckland on 3rd February.

45. H.M.S. "Endeavour" arrived in New Zealand waters on 15th June, 1937, and since that date has been continually employed on surveying work in Hauraki Gulf and the approaches thereto. Details of her survey operations have been supplied to the Hon. the Minister of Marine in the form of monthly reports of proceedings.

SECTION VIII—"PHILOMEL."

46. H.M.S. "Philomel" (Commander C. B. Tinley, O.B.E., RN.) continues to act as training-ship at Devonport, Auckland.

47. Preliminary designs for a new naval barracks to be erected on a site overlooking the Naval Base are in the course of preparation.

48. All boys and ratings under training from H.M.S. "Philomel" have had sail training at sea in H.M. Ketch "Viking" during the past year.

SECTION IX.—H.M.S. "WAKAKURA."

49. H.M.S. "Wakakura" (Lieutenant K. H. J. L. Phibbs, R.N.) has been continuously employed training the Royal Naval Volunteer Reserve.

50. The ship is in good condition, both as to her hull and machinery.

SECTION X—R.F.A. "NUCULA."

51. R.F.A. "Nucula" delivered two cargoes of oil fuel, during the year, one of which was used to fuel the Australian Squadron at Auckland in April, 1937, and the other discharged to shore tanks.

52. The vessel was finally laid up on 5th July, 1937, and has since been employed as a storage hulk pending the completion of the new oil-fuel tank.

SECTION XI—NAVAL BASE.

53. Usual periodical dockings and refits have been carried out during the year.
54. The reconstruction of the Base has made progress, but considerable delays have occurred due to the difficulty of obtaining delivery of steel and machinery.

55. The electrical water and other services are nearly complete, and work is in hand on the machine-shop.

56. The new boiler-shop and extensions to the wharves have been completed.

57. The 12,000 ton oil-fuel tank is being erected.

SECTION XII.—NAVAL ARMAMENT DEPOT.

58. Seventeen magazines and shell stores authorized are nearing completion at Kauri Point. Miscellaneous buildings—viz., office block, laboratory, work-room, store-room, and inflammable store—are in course of erection.

59. It is anticipated that the magazines at Fort Takapuna will be vacated and that all stocks of armament stores will be transferred to Kauri Point by 30th September, 1938.

SECTION XIII.—VISITS OF FOREIGN WAR VESSELS.

60. The French training cruiser "Jeanne d'Arc" visited the following New Zealand ports: Wellington, 20th February to 26th February, 1938; Auckland, 28th February to 7th March, 1938.

61. The French sloop "Rigault de Genouilly" visited Auckland 27th April to 7th May, 1937.


SECTION XIV.—DRILLS, EXERCISES, AND TRAINING AFLOAT.

63. The normal programme of exercises and drills has been carried out, and great stress has been laid on the ships of the Squadron cruising in company so as to permit of manoeuvres and exercises being carried out at sea during passage. Programmes have been made out to allow for this as far as possible. The autumn cruise has been established as a training period. The most valuable training periods were:

(a) That spent by H.M.S. "Leander" in attachment to the Second Cruiser Squadron, Home Fleet, in May, 1937.

(b) From 7th to 17th February, 1938, which was spent in Australian waters in company with all available vessels of the Royal Australian Navy.

(c) The Squadron exercise periods in Hauraki Gulf and other occasions when the ships were in company.

64. A combined mine-sweeping exercise by the two Imperial escort vessels was carried out in Hauraki Gulf in October, 1937, for the benefit of Royal Naval Volunteer Reserve personnel,

E. R. DRUMMOND,
Rear Admiral,
First Naval Member of the Naval Board.

21st May, 1938.