7. On 15th January the whole squadron carried out exercises and firings in the Hauraki Gulf, the battle-practice target being towed by H.M.S. "Veronica" for the cruisers' firings. The squadron returned to Auckland at the end of the month in order to be present for the Auckland Anniversary Regatta, at the special request of that city, after which H.M. Ships "Dunedin" and "Diomede proceeded to Russell, where the annual pulling regatta was held.

8. On 13th February the whole squadron carried out combined operations with the Army. This was the first operation of this nature to be carried out in conjunction with the New Zealand Military Forces, and consisted in embarking at Auckland a force comprising about 500 men and landing them just before dawn on an open beach about twenty miles from Auckland for an attack on that city.

9. All ships then left for cruises in New Zealand waters. H.M. Ships "Dunedin" and "Diomede" proceeded in company to Napier. Owing to weather conditions visits to Westport and Greymouth

had to be abandoned.

On 12th March all ships rendezvoused at Paterson Inlet, H.M.S. "Diomede" having visited Lyttelton and Dunedin; H.M.S. "Laburnum," Lyttelton, Dunedin, and Timaru; and H.M.S. Veronica," Russell, Nelson, and Lyttelton.

From Paterson Inlet the ships dispersed to continue their cruises. H.M.S. "Dunedin" proceeded to Dunedin and Lyttelton; H.M.S. "Diomede" to Bluff, the Sounds, and Timaru; H.M.S. "Veronica" to Lyttelton and Wanganui; and H.M.S. "Laburnum" to Lyttelton and Picton. During the year H.M.S. "Dunedin" has steamed 15,200 miles and visited thirty-one different ports and islands on the station. During the same period H.M.S. "Diomede" has steamed 31,300 miles (including voyage to England and return) and has visited twenty-one ports on the New Zeeland Station, and eleven ports outside the limits of the station. Zealand Station, and eleven ports outside the limits of the station.

(B) H.M.S. "Philomel."

10. H.M.S. "Philomel" (Commander N. Clover, R.N.) continues to act as training-ship for the New Zealand Division, and Naval Depot Ship at Auckland. The need for the replacement of H.M.S. "Philomel" by barracks is becoming more urgent, as the ships' condition is rapidly becoming worse due to old age, and unless her replacement is decided upon shortly large repairs will be necessary in order to keep her effective.

(C) H.M.S. "Wakakura."

11. H.M.S. "Wakakura" (Lieutenant H. F. Edwards, R.N.) continues to prove of the greatest value in the training of Reservists, and in towing targets for ships of the New Zealand Squadron when exercising in the Hauraki Gulf. She proved of great use in assisting H.M.S. "Veronica" in handling the battle-practice target for the cruisers' firings in January. Specialist courses in mine-sweeping in H.M.S. "Wakakura" have been commenced for officers and men from Class D of the Reserve, who are considered to have sufficient seagoing experience to be able to master the seamanship detail involved.

(D) R.F.A. "Nucula."

12. During the year R.F.A. "Nucula" (Lieutenant A. W. Beardsall, R.N.R.) has been employed in bringing oil fuel from Martinez, California, to Auckland for the naval oil-fuel tanks and for H.M. ships, and in fuelling H.M. ships in the Pacific islands en route.

During the periods when her services have not been required for lifting cargoes or fuelling the cruisers she has been paid off to save expense.

VI. VISITS OF FOREIGN WARSHIPS TO THE DOMINION.

The French sloop "Cassiopee," after visiting ports in New Zealand, sailed from Auckland on 14th April.

The Japanese Training-ships "Idzumo" and "Yakumo" visited Wellington and Auckland in July and August, and the Argentine Training-ship "Presidente Sarmiento" visited Wellington in

July.

These visits unfortunately occurred during the absence of the cruisers from New Zealand, but H.M.S. "Veronica" was at Suva during the visit of the Japanese Training Squadron and was able to pay the usual courtesies.

VII. DRILLS AND EXERCISES.

Every endeavour has been made to carry out frequent drills and exercises in order to increase the efficiency of the personnel of the squadron. During the latter half of the year gunnery and torpedo exercises have been carried out by the cruisers in the Hauraki Gulf during two periods, and also combined operations with the Army at a further period. When the whole squadron has been together every effort has been made to improve the signalling and manœuvring.

In addition to the combined operations, mention of which is made under "Proceedings," naval officers, at the invitation of the military authorities, took part in the Army Staff Exercise held at

Waiwera in February.

I have, &c., G. T. C. P. Swabey, 1st Naval Member and Commodore Commanding New Zealand Station.

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