

8. A site upon which it is proposed to erect Naval Barracks to replace H.M.S. "Philomel" has been selected at Devonport, and is situated above the oil-tanks. Seven sections of land have already been purchased, and at least two, and possibly four, additional sections will be required to complete the site. Due to financial stringency it will not be possible to commence construction before about the 1st June, 1931.

9. The new laboratory at Fort Takapuna is now complete and in regular use. Cabinet approval was given in February to expend a sum of £2,000 on new works to ensure the safe stowage of certain explosives and comply with Admiralty recommendations on the lay-out of the Armament Depot. The following were taken in hand and are 70 per cent. complete:—

- (a) Building firework magazine.
- (b) Building guncotton magazine.
- (c) Building target smoke-shell magazine.
- (d) Construction of concrete path and 2 ft. 6 in. rails from magazine to laboratory.

The efficiency and zeal of the Armament Supply Officer (Lieutenant H. A. Haynes, R.N. (Retired)) and his staff in the care and upkeep of the magazines and of the explosives are most praiseworthy.

IV. RESERVES.

The following shows the state of the New Zealand Royal Naval Reserves on 1st April, 1930:—

Officers, Royal Naval Reserve	..	..	..	..	8
Officers, Royal Naval Volunteer Reserve	..	..	..	..	77
Men, Royal Naval Reserve:—					
Class A (Active)—Men who have served in the Royal or any Dominion Navy, and who come up for periodical training..	..	..	..	..	73
Class A (Inactive)—Men who have been discharged from the sea-going Forces in New Zealand, other than those joining Class A (Active). These men are liable to be called up for naval service in the event of war within ten years of discharge from the sea-going Forces if not then over forty years of age	..	..	..	..	150
Class B—Men who follow the sea as a profession in the mercantile marine or steam fishing-vessels	..	..	..	..	10
Class C—Men ineligible for Classes A or B	..	..	..	..	100
Class D—(Royal Naval Volunteer Reserve)—As for men, Class C, but only eligible to join when a division is formed in any district where they may be living	..	..	..	..	406

The training of the Royal Naval Volunteer Reserve has been continued throughout the year.

2. All ratings have carried out seven days' sea training either in one of H.M. Cruisers or in H.M.S. "Wakakura." H.M.S. "Wakakura" made an extended cruise to the southern ports, commencing in January. Two officers and sixteen ratings of the R.N.V.R. were embarked at a time, and practical training given in gunnery, mine-sweeping, and seamanship. This training has proved to be most valuable. In view of the very limited accommodation available in this ship, the provision of a second training ship is becoming necessary, and this would also allow combined mine-sweeping to be practised.

3. Inspections of all four Divisions have been made during the year. I am satisfied that the training given is most thorough and efficient, and that the R.N.V.R. will be of great value in the local defence of the Dominion.

4. The Auckland Division took part in the King's Birthday Review, and the Wellington Division in the Anzac Day ceremonies. In both cases the appearance and marching were excellent, and reflect great credit on all concerned. The Wellington Division also provided a guard of honour on the occasion of the departure of the late Governor-General.

5. In the combined naval and military operations at Akaroa in February, 1930, the R.N.V.R. Training Cutter "Deveron," manned by officers and men of the Canterbury Division, took an active part in co-operation with H.M. Ships, and proved the value of their training. It is hoped that in future operations of this nature the Royal Naval Volunteer Reserve may be able to take a larger part.

V. PROCEEDINGS.

(A) H.M. Ships "Dunedin," "Diomedé," "Veronica," and "Laburnum."

During April and the early part of May, 1929, the squadron, consisting of H.M. Ships "Dunedin" (flying Commodore G. T. C. P. Swabey's broad pendant), "Diomedé" (Captain Lionel V. Wells, D.S.O., Royal Navy), "Laburnum" (Commander Frederick N. Attwood, Royal Navy), and "Veronica" (Commander Gerard W. T. Robertson, Royal Navy), was cruising in New Zealand waters.

2. On 25th April armed parties were landed to take part in the Anzac Day ceremonies from H.M.S. "Dunedin" at Auckland and from H.M.S. "Diomedé," H.M.S. "Laburnum," and H.M.S. "Veronica," at Wellington.

3. On 26th April H.M.S. "Dunedin" docked in Calliope Dock to undergo her annual refit. H.M.S. "Laburnum" and H.M.S. "Veronica" arrived at Auckland on 28th April and "Diomedé" on 12th May, where all ships remained in company until 4th June.

4. His Majesty the King's Birthday, 3rd June, was celebrated in Auckland by all ships of the Squadron dressing overall, and firing a royal salute of twenty-one guns. A naval contingent of 300 armed men was landed and with 150 men of the Auckland Division of the Royal Naval Volunteer Reserve took part in the parade before His Excellency the Governor-General.