SECTION VIII.—H.M.S. "PHILOMEL."

54. H.M.S. "Philomel" (Commander C. B. Tinley, R.N.) continues to act as training and depot ship at Devonport, Auckland. The ketch "Viking" was presented to the New Zealand Division by the Mayor of Auckland, Mr. (now Sir Ernest) Davis, and has proved of great value for training. All boys and ratings under training in H.M.S. "Philomel" have had sail training at sea in the "Viking" during the past year.

SECTION IX.—H.M.S. "WAKAKURA."

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

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

57. This ship was also employed for a fortnight on survey work required for the Post and Telegraph Department in connection with the laying of the new Cook Strait telephone cable.

SECTION X.—R.F.A. "NUCULA."

58. R.F.A. "Nucula" has transported three full cargoes of oil from California during the year. Necessary docking and repairs have been carried out, the ship was docked in April, 1936, and January, 1937.

59. It has now been decided to terminate her charter from the Admiralty. The ship will be employed as a storage hulk until the new Naval oil-tank at Devonport is completed. She will then be sold.

SECTION XI.—NAVAL BASE.

60. The usual periodical dockings and refits have been carried out during the year.

61. The new agreement with the Auckland Harbour Board whereby the Naval Department took over all the land comprising the Naval Base, except the dock and dock machinery, was signed on 22nd December, 1936.

62. "Calliope" Dock has been lengthened, and work is proceeding with the renewal and extension of the wharves necessary for the maintenance of two "Leander" class cruisers. Work on the reconstruction of the Naval Base under the three-year plan is progressing satisfactorily. The actual construction of some of the buildings has been delayed due to difficulties of delivery of steel. Work has commenced to enable an area to be reclaimed in Stanley Bay for the erection of a 12,000 ton oil-

SECTION XII.—NAVAL ARMAMENT DEPOT.

63. Good progress has been made with the construction of the new depot at Kauri Point.

64. Six magazines of the seventeen authorized are nearing completion, and it is anticipated that a part of the explosives now at Fort Takapuna will be removed to the new depot in July, 1937. This will relieve the overcrowding of explosives at Fort Takapuna.

65. The wharf and 10 ton electric crane at Kauri Point are now available for use, and progress

has been made in the excavation and laying of concrete bases for the remaining magazines.

66. Fire hydrants and fire-fighting equipment have been installed and tested.

SECTION XIII.—VISITS OF FOREIGN WAR VESSELS.

67. The French sloops "Savorgnan de Brazza" and "Rigault de Genouilly" visited the following New Zealand ports: "Savorgnan de Brazza"—Auckland, 26th May to 3rd June, 1936; Wellington, 5th to 8th June, 1936. "Rigault de Genouilly"—Auckland, 26th April to 7th May, 1936.

68. The United States Destroyers "Preston" and "Smith" visited Auckland from 26th

February to 4th March, 1937.

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

69. The normal programme of exercises and drills has been carried out. The most valuable exercise period during the year was the period from 1st May to 15th July, when H.M.S. "Achilles" was attached to the 2nd Cruiser Squadron, during the concentration of the Home Fleet in the Mediterranean.

70. A programme of exercises was arranged with the Royal Australian Navy during the visit of

the Royal Australian Naval Squadron who, on 31st March, 1937, were on passage to Wellington.
71. Combined mine-sweeping exercises by the two Imperial escort vessels were carried out in the Hauraki Gulf in May, 1936, and at Akaroa in March, 1937, for the benefit of Royal Naval Volunteer Reserve personnel.

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E. R. DRUMMOND, Rear Admiral, First Naval Member.

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