SECTION XII. NAVAL ARMAMENT DEPOT.

58. The naval leasehold property at Fort Takapuna, Devonport, was handed over to the Army Department on 29th September, 1938, the transfer to Kauri Point Naval Armament Depot having been effected as from 21st September, 1938.

59. Except for a few minor items the whole of this project, which has cost \$109,000,

has been completed according to plan.

SECTION XIII.—VISITS OF FOREIGN WAR VESSELS.

60. The French training cruiser "Jeanne d'Arc" visited Auckland on 19th April, 1938.

61. The French sloop "Rigault de Genouilly" visited Auckland from 13th to 23rd

May, 1938.

62. The United States of America destroyer U.S.S. "Maury" visited Auckland from 31st October to 9th November, 1938.

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

63. The normal programme of exercises and drills has been carried out.

64. Combined minesweeping exercises by the two Imperial escort vessels were carried out at Akaroa in April, 1938, and in Hauraki Gulf in September, 1938, for the benefit of the Royal Naval Volunteer Reserve personnel.

SECTION XV.—GENERAL.

65. I would lay stress upon the fact that a great deal has been done during the past year to implement the policy of consolidating the elements (such as repair, training, and storing facilities) essential to effective progress in the evolution of a Naval Service. The administrative machine has also been adjusted to meet the demands of a forward policy. Progress is restricted in some directions by lack of qualified staff, but steps have been taken to build up the organization on sound lines by laying plans for the development of a post-recruit-training centre, for the extension of recreation facilities, for the reconstruction of the depot ship, for the entry of officers, and for the appointment of a professional civilian staff.

H. E. HORAN,

Commodore, Chief of the Naval Staff.

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