

27. *Ship-building*.—The first vessel built for the United States authorities, Y.F. 1050, sailed from the port on 24th May, 1945. A second vessel, "Avon," was launched on 4th October, 1945, but has not been commissioned, and is at present lying at Port Chalmers.

28. *Naval Control Service*.—A total of eighty-four overseas vessels visited the port during the year. Ships bound for overseas ports were routed by the Naval Control Service Officer, Lyttelton, and routing instructions passed to masters by the Resident Naval Officer, Dunedin.

29. *Defensively Equipped Merchant Ships*.—Forty-six overseas ships and all coastal ships with armament were inspected. Stores were supplied and general maintenance work carried out. Several ships were disarmed, the armament being returned to the Armament Supply Officer, Auckland.

SECTION VII.—PERSONNEL: CONTINUOUS-SERVICE RATINGS

There are at present 1,024 ratings serving on continuous-service engagements in the Royal New Zealand Navy. During the period under review several steps have been taken in an endeavour to build up the inadequate numbers of ratings serving on a permanent basis. One of these measures has been the offer to "war only" personnel of the opportunity of transferring to continuous- or short-service engagements. This scheme has met with only moderate success, only 47 volunteers having so far been forthcoming.

2. The second measure has been to reduce the duration of initial engagement from twelve to six years. A careful analysis of the recruiting situation over the war years has brought to light the fact that New-Zealanders are loath to enter a service where they are obliged to serve for so long a period as twelve years, and it is considered that there is little doubt that the reduction in the engagement will bring forth a greater flow of recruits.

3. This step will also permit an increase in the annual recruiting quota, which will make good deficiencies in a shorter time than would be possible under the twelve-year engagement.

4. Another measure in view, for the elimination of manning deficiencies, is the institution of a scheme whereby discharged personnel will be permitted to re-enter the naval service for periods of two or more years. This scheme will be given a trial in the near future.

5. The following have been entered on continuous-service (twelve years) and short-service (six years) engagements during the period 1st April, 1945, to 31st March, 1946:—

| Rating. | Continuous Service. | Short Service. |
|--------------------------------|---------------------|----------------|
| Seamen | 72 | 38 |
| Telegraphists | .. | 9 |
| Stokers | 20 | .. |
| Engine-room artificers | 5 | .. |
| Blacksmiths | 1 | .. |
| Writers | 4 | .. |
| Store assistants | 5 | .. |
| Sick-berth attendants | 3 | .. |
| Cooks | 8 | .. |
| Stewards | 2 | .. |