

3. The following table shows the numbers discharged or dismissed after final entry during the period of this report :—

Cause.	Seamen.	Stokers.	Others.	Total.
Services no longer required, dismissed as a punishment, unsuitable	2	2	1	5
By desertion .. .. .	12	7	4	23
Invalided .. .. .	3	1	1	5
By purchase .. .. .	1	2	1	4
Totals .. .. .	18	12	7	37

4. During the year seventeen ratings of various classes have been sent to England for specialist courses in the Imperial training establishments, to be followed in most cases by a period of seagoing training in battleships of the Fleet. During the refit of cruisers at home every effort is made to release as many of the New Zealand men as possible from ship duties in order to enable them to go through short courses of instruction at the naval technical schools, as this instruction cannot be given on the station. The importance of these courses cannot be appraised too highly, and the results are extremely satisfactory.

5. The health and discipline of the ships' companies have been excellent.

### III. THE NAVAL BASE.

During the past few years it has been found necessary to expand the facilities of the base in order to compete with the growing demands of the squadron. The limited space available for expansion, and the age of the depot and training establishment (H.M.S. "Philomel" and the wooden huts), together with the necessity for being able to berth more ships alongside the wharves, have made it essential that sooner or later steps must be taken to obtain a larger area of land and to build a shore establishment to replace H.M.S. "Philomel." This matter is now under consideration.

2. A naval magazine is under construction at Takapuna in which to store the reserves of ammunition for the squadron. This arrangement will be far more satisfactory than the present system.

3. The stocks maintained at Devonport make it possible for H.M. ships to replenish with fuel, stores, and ammunition at very short notice.

4. Periodical dockings of all seagoing ships have been undertaken in the Calliope Dock, and small refits and running repairs carried out at the Naval Base. It has, however, been decided that cruisers shall return home periodically to undergo alterations and additions and repairs of a nature which cannot be undertaken without the resources of a fully-equipped dockyard. H.M.S. "Dunedin" is undergoing a refit of this nature in England at the present time.

### IV. RESERVES.

The following is the state of the New Zealand Royal Naval Reserve :—

Officers, R.N.R. .. .. .	8
Officers, R.N.V.R. .. .. .	21
Men, R.N.R.—	
Class A (Active)—Men who have served in the Royal Navy or any Dominion Navy and who come up for periodical training .. .. .	84
Class A (Inactive)—Men who have been discharged from the seagoing 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 seagoing Forces if not then over forty years of age ..	134
Class B—Men who follow the sea as a profession in the mercantile marine or steam fishing-vessels .. .. .	16
Class C—Men ineligible for Class A or B .. .. .	79
	— 313
Class D—As for Class C, but only eligible to join when a company is formed in any district where they may be living .. .. .	157

2. The total number of men in Classes A, B, and C has risen from forty-three on the 31st March, 1926, to 313 at the present time, which is very satisfactory; the number of Reservists in Classes B and C are not yet, however, up to requirements, but I hope that more candidates will apply when the conditions of service are more widely known.

3. A most satisfactory feature of the Reserve is the Class D at Auckland, which has during the last year been increased from two to three companies. The officers and men are keen, and this is reflected in their state of efficiency. They carry out their seagoing training in one of the cruisers, but with the arrival of H.M. trawler "Wakakura" on the station it is now possible to carry out more intensive training, and periodical cruises are made in her, the Reserve men actually working the ship themselves with a nucleus of active-service ratings. This enables them to have first-hand experience