

in the sum, including accumulated interest, which is standing to his credit on the date of completion of any engagement, save only that the interests of deserters will always be forfeited to the Crown unless the Naval Board direct otherwise under the terms of clause (5) (c), or unless the "Run" is removed under the terms of clause 6.

5. All claim to deferred pay is forfeited to the Crown in the following circumstances:—

- (a) When a rating is dismissed from the Service for misconduct, with or without disgrace.
- (b) When a rating is discharged "Run," provided he is not recovered, or is not claimed for further service either when arrested or when he voluntarily surrenders himself.
- (c) When a rating is convicted and punished for any act of desertion, unless the Naval Board when reviewing all the circumstances on receipt of the punishment warrant or minutes of Court-martial shall then direct otherwise under the provisions of section 19 of the Naval Discipline Act, 1866.  
(NOTE.—Remission of the forfeiture will only be granted in very exceptional circumstances.)
- (d) When a rating is discharged "Services no longer required" under the provisions of King's Regulations, Article 420.
- (e) When a rating is permitted to take his discharge at his own request other than on completion of engagement, or by purchase under the terms of Article 62. (See also Article 62A, clause 4.)

6. A recovered deserter may become eligible by subsequent satisfactory service for the removal of "Run" under the terms of King's Regulations, Article 589. The Naval Board may, therefore, when approving the removal of "Run" also approve of there being credited to the deferred-pay account of the recovered deserter an amount not exceeding that of the deferred pay forfeited by his desertion. This rule may also be applied in favour of recovered deserters who are invalided from causes not due to their own misconduct or neglect before they can qualify under King's Regulations, Article 589, for the removal of "Run."

7. A rating who is invalided from the Service for causes due to misconduct, or causes within his own control, will not be entitled to any payment on account of deferred pay, but the Naval Board will consider each case on its merits, and may authorize payment to him of any sum not exceeding the amount of deferred pay to which he would otherwise have been entitled.

8. The full amount of deferred pay, together with accumulated interest thereon, will be payable to the estate of a rating discharged "Dead."

9. Credit of deferred pay will not be made in any of the following circumstances:—

- (a) During imprisonment or detention (summarily, by Court-martial, or following a conviction by Civil power).
- (b) During confinement in cells.
- (c) During periods when full hospital stoppages are enforced. (Article 143, clause 3.)

Mulcts for leave-breaking, &c., or deductions on account of being in the second class for conduct, will not affect credit of deferred pay.

10. Deferred pay which has accrued to the credit of a rating who is selected for promotion to commissioned rank in the Royal Navy will be paid over to the Lords Commissioners of the Admiralty. (See Article 63.)

11. Deferred pay is intended to assist ratings on discharge from the Service to re-enter civil life. No rating has any claim to payment of deferred pay until his discharge from the Service has been effected or until he completes an engagement or re-engagement; consequently, the Naval Board will not authorize payment of deferred pay on account of time served in a current engagement.

Article 192 : Cancel.

Article 229 : Cancel, and substitute:—

**229. Canteens.**—Canteens in H.M. Ships of the New Zealand Division are to be conducted generally on the lines laid down in King's Regulations and Admiralty Instructions, with the exception that canteens will not be operated by the Navy, Army, and Air Force Institutes unless in special circumstances as may be approved by the Naval Board.

2. When the canteen is conducted on the tenant system, a contract will be entered into between the tenant and the Commanding Officer on the approved forms (N.Z.D. 127) drawn up for the purpose.

3. Where for any reason it is necessary to commence a canteen on the "service" system in the New Zealand Division, the approval of the Naval Board is to be obtained before any advance of public money is made.