5 A.-6.

per ton on all phosphate shipped from their respective lands. In addition, a royalty of 1d. per ton is paid to the Administration, to be held in trust for the benefit of the Nauruans generally. This decision has given great satisfaction to the Nauruans, who are keenly appreciative of the generous treatment they have received.

The policy of the Administration is not to permit the sale of land by Natives, either in the phosphate-bearing area or in the non-phosphate-bearing part (the non-phosphate-bearing part consists of an extensive fringe of land, covered with a continuous growth of coconut and pandanus palms, from which the Natives draw the bulk of their food-supplies, and amongst which they have their dwellings). Leases, however, are permitted for a maximum period expiring on the 1st April, 2000 (the date on which the concessions to the Phosphate Commission will lapse), at an annual rental of £1 5s. per acre for non-phosphate-bearing lands, the owners of the land retaining the right to the fruits of the trees on such land.

A copy of the Ordinance relating to lands is given in the appendix (Ordinance No. 12).

AGRICULTURE.

The agricultural interests of the island are limited almost entirely to coconut and pandanus palms, the fruits of which are used as food by the Natives, any surplus coconuts being made into copra, sold to traders on the island, and shipped to Australia.

Owing to scarcity of rain the coconut yield has much decreased, and, in addition, owing to the prevailing low price of copra, the Natives have been making but little, and thousands of nuts may be seen in all parts of the island where the coconut-palms grow, rotting and sprouting on the ground, making conditions favourable for the breeding of rats and other pests. An effort is being made to get the Native chiefs to crect sun-drying plants, and to take in hand the collection of the nuts and the cutting-up of the copra. To assist the Nauruans in this the Administration has built a model drier in the Buada district, and it is hoped that this will materially assist in increasing the output of copra, to the advantage of the Natives and the island generally.

SHIPPING.

Steamers entered and cleared between the 1st January and 31st December, 1921.

Nationality.				Number.	Aggregate Gross Tonnage.
British	 	 		44	157,599
$_{ m Japanese}$	 	 	1.9	\dots 5	19,631
Norwegian	 	 		\dots 12	23,598
${f Chinese}$	 	 		3	5,331

EDUCATION.

A qualified teacher has been obtained from the Victorian Education Department, and a school for European children built and equipped on up-to-date lines. The teacher acts as master of the European school and as supervisor of the Native schools. He also holds classes to train the Native teachers to teach.

An Ordinance (No. 10 in appendix) has been issued making attendance at school of European and Native children compulsory.

The Native schools are conducted (a) by the London Missionary Society, (b) by the Roman Catholic Sacred Heart Mission. It is not proposed to interfere in any way with the conduct and interior economy of these schools, but merely to lay down guiding rules, and to assist them in every way possible. Arrangements have been made to subsidize the mission schools, the subsidy being based (a) on attendance, (b) on progress made according to a set standard. Arrangements have also been made with the British Phosphate Commission to apprentice a number of Nauruan boys, as they leave school, to trades, the Administration paying a premium with each boy apprenticed.

VITAL STATISTICS.

Population at Census, 24th April, 1921.

Europeans	 		1en. 70	Women. 26	Children. 23	Total. 119
Chinese	 	5	92	2	3	597
Caroline-Islanders	 	1	.69	35	32	236
Marshall-Islanders	 		22	3	5	30
Nauruans	 	3	03	33 0	451	1,084
Totals	 	1,1	26	396	514	2,166

During the year a number of New Guinea Natives were also imported under contract to the British Phosphate Commission for work in the phosphate-fields.

HOSPITALS.

Hospitals are maintained by the Phosphate Commission for its employees, and by the Administration for Nauruans. The medical officer employed by the British Phosphate Commission also acts as Government Medical Officer, the Administration paying part of his salary.