

The payments for the year (including permanent salaries) were £7,456, while the total receipts amounted to £5,420. The preceding year's receipts amounted to £7,758. The falling-off last year affords a good indication of what happens on a large farm when the seasonal conditions are adverse. The future of this farm demands consideration. It has served its purpose as an experimental farm, and there is little to be gained by the Department continuing to conduct it simply as a commercial farm. It contains a large area of first-class dairying-land upon which a number of families could be supported. It is considered that it would now be of greater value to the district and to the State if it were converted into an up-to-date dairy-farm settlement.

NAURU AND OCEAN ISLANDS PHOSPHATES.

Phosphate operations at Nauru and Ocean Islands are proceeding very satisfactorily, and shipments for the seventh financial year, which ended on the 30th June, are approximately 593,300 tons, as compared with the previous highest output, in 1924-25, of 470,700 tons, or an increase of about 122,600 tons. This satisfactory result for the year has been possible owing mainly to unusually favourable weather throughout and satisfactory labour and health conditions, combined, no doubt, with increased efficiency. For the previous year (1925-26), when adverse weather and labour conditions were experienced, phosphate shipments were approximately 200,000 tons less—namely, 391,700 tons.

Deliveries of Nauru-Ocean phosphate to New Zealand for 1926-27 are approximately 135,200 tons, as compared with 77,400 tons for the previous corresponding period, or an increase of about 57,800 tons. These quantities have been insufficient to meet the rapidly increasing demands for this high-grade material, and the Phosphate Commissioners have purchased on behalf of the fertilizer-manufacturers considerable quantities of phosphate from outside sources at the lowest prices obtainable, though at a considerable increase on Nauru-Ocean rates. This outside phosphate is of lower quality, but by judiciously mixing it with the relatively large supply of high grade the manufacturers have been able to maintain the high standard of phosphatic fertilizers obtaining in this market, and which is a factor of great economic importance to the country.

With the view of increasing the output from Nauru and Ocean Islands an extensive programme of development has been decided on, starting with an improvement of the shipping facilities. Contracts were signed in March last with Messrs. Henry Simon, Ltd., of Manchester, for the construction of a loading-cantilever at Nauru and an improved steel jetty at Ocean Island. This work will probably extend over two years, entailing an expenditure of about £250,000, which will be financed by the Commission.

The cantilever for Nauru embodies some unique features suited for the special conditions pertaining there. It will project about 180 ft. beyond the edge of the reef, and will permit of discharging the phosphate direct into the vessel's fore and after holds simultaneously, thus dispensing with the present system of loading by means of small lighters. The material will be transferred from the 12,000-ton shore storage bin to the discharging-points of the cantilever by rubber-belt conveyers with a total capacity of 600 tons per hour, thus enabling the loading of a 6,000-ton vessel in a day. The outer arms of the cantilever will operate on the principle of a wharf-crane, permitting them to swing in on the reef when not in use. The whole plant will be operated electrically. It is hoped that on completion of the cantilever installation the output capacity will be increased to 700,000-770,000 tons.

Other improvements facilitating production and transport are also to be put in hand at both islands, with a view to getting the best possible service from the improved shipping arrangements.

Freight and marketing arrangements have been satisfactorily dealt with by the Commission during the year.

STAFF MATTERS.

I very much regret to record the loss, through death, of Mr. H. L. Marsack, Veterinarian, Mr. G. H. Sargeant, Apiary Instructor, and Mr. E. P. Huddleston, Inspector of Stock, all highly respected officers of the Department.

In conclusion, I must express my appreciation of the valuable assistance rendered by Mr. F. S. Pope, Assistant Director-General, and Messrs. Singleton, Campbell, Cockayne, and Lyons, Divisional Directors, all of whom have devoted themselves whole-heartedly to the continued improvement of the work of the Department, and in doing so have exhibited both energy and enterprise on sound lines.

C. J. REAKES, D.V.Sc., M.R.C.V.S.,
Director-General.