

for each country has been taken up with Great Britain and Australia, but after some communications had passed it was deferred at the request of Great Britain. A despatch from the Secretary of State for Dominion Affairs, in which this desire was expressed, stated that under the present arrangement the whole of the United Kingdom allotment not required by the United Kingdom is at the disposal of Australia and New Zealand, and in the event of British consumers desiring to obtain large supplies of phosphate from Nauru and Ocean Islands care would be taken to give reasonable notice of such intention. In the circumstances this request that the matter be deferred was agreed to by New Zealand, and having regard to the present position regarding phosphate-supplies available for British manufacturers it is not anticipated that Britain will require any quantity from Nauru and Ocean Islands for some years to come.

Difficulties have arisen owing to friction between the Australian Commissioner, on the one hand, and the Commissioners representing Great Britain and New Zealand respectively on the other. The Government of Australia has appointed a Commission to inquire into the matter, and an early satisfactory settlement of the matter is hoped for.

There are no harbours at the islands, the steamers during loading operations lying in the open roadstead anchored to special moorings which are in deeper water than perhaps any others in the world. Loading is carried out through the medium of lighters, hence shipping operations are governed almost entirely by weather conditions. For the first five years of the Commission's operations the weather interfered very little with loading operations, with the result that all orders from partner countries were promptly filled and surplus production disposed of to other countries at very profitable market rates. These conditions, which favoured a maximum output so necessary where heavy overhead charges are inevitable, were reflected in a gradually decreasing c.i.f. cost, with corresponding benefits to purchasers of the manufactured superphosphate. Unfortunately, very unfavourable weather conditions were experienced for a considerable portion of the year 1925-26, with the result that shipping operations were delayed, storage limits at the islands were reached, and it was impossible to supply from the islands all of the requirements of the partner countries. In order to furnish the manufacturers with raw material, and so ensure adequate supplies of superphosphate for consumers in the partner countries, the British Phosphate Commission, acting for the manufacturers, met the position by purchasing from the most favourable sources of supply (including Florida, U.S.A., and Morocco) the large quantities of phosphate rock needed to meet the deficiency. These purchases were, of course, at a greater cost than Nauru and Ocean Islands phosphate, but, in order to avoid fluctuations in the prices of superphosphate due to varying prices for the raw material, the Commission agreed to distribute the extra cost of the needed outside supplies by increasing by a small amount per ton the selling-price for the year commencing on the 1st July, 1926, and making the sales on terms convenient to the purchasers.

Extensive improvements in the storage and shipping facilities at the islands are being arranged by the Commission with the object of reducing costs of production, increasing the output, and making possible speedier loading of vessels, and so utilizing to the utmost weather conditions favourable to the loading of ships. These works will take a number of years to effect, but when completed will enable the output to be greatly increased.

STAFF.

Mr. J. Lyons, M.R.C.V.S., was appointed Director of the Live-stock Division in July of last year in succession to Mr. A. R. Young, whose retirement on superannuation was recorded in my report for 1924-25. Messrs. W. M. Singleton, J. A. Campbell, and A. H. Cockayne have continued as Directors of the Dairy, Horticulture, and Fields Divisions respectively. I must express my great appreciation of the good work done by the Divisional Directors and the officers under their control. The Department's work covers a wide field, and the calls upon the services of its officers are expanding to such an extent that administrative ability of a high standard has been called for in the Divisional Directors. They have proved fully capable of meeting all requirements, and with a good staff throughout in all Divisions good team-work has been done.

The Chemist, Mr. B. C. Aston, whose Section is directly attached to the Head Office, has, with his staff, rendered valuable service, as usual.

The editorial duties connected with the Department's various publication activities—the *New Zealand Journal of Agriculture* in particular—have again been efficiently carried out by Mr. R. H. Hooper, Editor.

The Assistant Director-General, Mr. F. S. Pope, has proved a valuable colleague at headquarters. The Head Office staff generally has done very good work and has co-ordinated excellently with the divisional organizations.

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