

Messrs. W. D. and H. O. Wills (N.Z.), Ltd., appointed Messrs. E. Buxton and Co. their agents. Finance was offered by the company to the growers to erect kilns and bulking-sheds; also, provision was made to meet expenses of growing, harvesting, curing, grading of leaf, &c. In the contract free instruction was offered by the experts, and the following covenant was entered into regarding purchase :—

That the company will purchase from the grower all tobacco-leaf delivered as aforesaid which shall in the opinion of the company's expert be suitable for manufacturing purposes, at a price to be fixed by him, not being less than the following minimum prices :—

(a) For flue-cured up to Government export standard, not less than two shillings and threepence (2s. 3d.) per pound.

(b) For sun- and air-cured leaf up to Government export standard, not less than one shilling and fourpence (1s. 4d.) per pound.

Provided that if in the opinion of the company's expert the whole or any part or parts of the tobacco-leaf so delivered shall not be in good order and condition, or shall be below the average quality and condition of the season's crop of tobacco-leaf, the company shall only be bound to pay for any such deficient tobacco-leaf the price fixed therefor by the company's expert, whose decision thereon shall be final.

These contracts were issued for a three-year term in the case of flue-cured leaf, and for a period of one year in respect of air-cured leaf. An area of 200 acres was contracted for, and financial assistance given some twenty growers to erect their appointments. In the following season (1928-29) the company extended its growing operations, and some 400 acres were contracted for, and additional finance was made to growers, bringing the number of kilns up to sixty-nine. These new contracts were granted for a two-year period, and the repayment of the advance for the erection of kilns and other buildings was spread over a two-year period. All conditions existing in the previous contracts were included in these two-year contracts also.

The position of the growers as stated by one of their witnesses has been as follows: "I may mention that during each year of my contract a different instructor has been engaged by the company, and therefore we have made progress under certain drawbacks." The change in instructors has resulted in not only different methods being followed in the cultivation of the leaf, but also in the method of curing, grading, and purchase of leaf.

Method of instruction: The growers are emphatic that the methods of instruction tendered them by Mr. Whittaker, the first instructor, and Mr. Lough and Mr. Gilmour, who have been instructing during the past two seasons, are totally different and opposite. The American instructors told the farmers to top the plant reasonably low and to take out all the suckers; that these suckers should be removed immediately, and that if they remained on the plant for more than five days they would detrimentally affect the plant. Mr. Lough's idea was, on the other hand, to let the plant grow well into the air and leave as much lateral growth on as possible. The growers have pointed out that such latter method, among other things, certainly gives them a lighter yield, and therefore return, per acre. In view of its importance to the growers, it is interesting to note the remarks contained in Bulletin No. 54 of the Department of Agriculture, South Africa :—

"Correct topping and suckering is another factor which is altogether overlooked by many tobacco-farmers. Experiments carried out at Germantown, Ohio, U.S.A., showed a difference in money value of from £7 to £9 between no topping and suckering and the best system of topping and suckering.

"It is common in the Union to find tobacco-fields resembling flower-gardens, in that the flowers are not removed from the plants, but simply left untouched until they have developed into big flower-heads. This is a great evil, as all the plant-food which should have been utilized by the leaves to provide the necessary body and quality is thus absorbed by the flowers and seed. The same principle applies when tobacco is not suckered at the right stage."

Mr. S. F. Brame stated in evidence before your Committee, and Mr. R. L. Gracie did also, that the method that was followed last season in the Motueka-Nelson district is not followed in America.

The growers point out in evidence that, while the minimum prices fixed both in the three-yearly and two-yearly contracts were not less than 2s. 3d. per pound for flue-cured leaf up to Government export standard, in one year only has that minimum figure been adhered to. The figures supplied by Messrs. W. D. and H. O. Wills (N.Z.), Ltd., show the average price to be: 1928 crop, flue-cured, 2s. 4-8d. per pound; 1929 crop, flue-cured, 2s. 1-8d. per pound; 1930 crop, flue-cured, 2s. 1-7d. per pound.

As the contracts referred to above determined with the close of the past growing-season, new arrangements have had to be entered into between the growers and the company. When your Committee commenced its proceedings no new contracts had been signed, but these have since been executed. The company this year is contracting for a one-year period only, and has contracted on a poundage in lieu of an acreage basis. Despite the fact that 234,240 lb. of flue-dried and a total poundage of 245,632 lb. was purchased by the company last season, the aggregate for the present season has been fixed at a maximum of 150,000 lb. weight. In other words, the company had some 200 acres under contract in 1927-28, 400 acres in 1928-29, and will have approximately 200 acres in for the 1930-31 crop. There is no provision in the contract that an instructor will be provided the growers as heretofore, but in evidence Mr. Gracie stated that, while no mention was made in the contract, it was the intention of the concern to provide free instruction and not depart from the previous plan in that matter.

The purchasing covenant in the contract is quite different from that of the previous years. It reads,—

8. That the company will purchase from the grower for the season 1930-31 pounds weight of graded tobacco-leaf, delivered as aforesaid, at the prices hereafter set out, but subject to the conditions as to the proportion of the kinds and grades also hereinafter set out namely,—

(a) For light-bodied leaf not inferior in quality to the sample now held by the company and marked "Minimum light-bodied leaf," one shilling and eightpence (1s. 8d.) per pound weight, increasing in price according to quality to three shillings (3s.) per pound weight for best light-bodied leaf not inferior in quality to the sample now held by the company and marked "No. 1 light-bodied leaf."